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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

ARMS CONTROL & DISARMAMENT

Foreign Ministry Officials on START Treaty *[INTERFAX]* 1
Bessmertnykh Discusses Defense Policy *[TASS]* 1
Bush Taking 'Dual Position' on Arms Cuts *[KRASNAYA ZVEZDA 19 Jul]* 3
'Cold War Criteria' Still Influencing Pentagon *[TASS]* 5

WORLDWIDE ISSUES

Gorbachev Concludes London Visit, Returns 6
Interview on G-7 Meetings, Reforms *[Moscow TV]* 6
Arrives in Moscow *[TASS]* 10
Cited on G-7 Talks in London *[Moscow Radio]* 10
More on Press Briefing With Major *[PRAVDA 19 Jul]* 10
Outcome of G-7 Meeting Pondered *[ROSSIYSKAYA GAZETA 19 Jul]* 12
Shcherbakov 'Optimistic' After London Summit *[IZVESTIYA 20 Jul]* 13
Bogomolov on G-7 Summit, Western Aid *[Vienna TV]* 15
Primakov Interviewed on Results of G-7 Meetings *[Moscow TV]* 18
Observer on Expectations From G-7 Meeting *[TASS]* 18
Correspondent Views Results of G-7 Summit *[TASS]* 19
Diplomat on Results of G-7 Meeting *[INTERFAX]* 20
G-7 Summit Seen as Successful Beginning *[Moscow Radio]* 20
Analyst Examines Results of G-7 Meetings *[TASS]* 21
'International Review' Program on G-7 Summit *[Moscow Radio]* 21
Commentator Views Baker Peace Efforts *[Moscow International]* 23
Churkin Statement on Danish Bridge Plans *[IZVESTIYA 18 Jul]* 24
Belonogov on Undermined Trust in Iraq *[INTERFAX]* 24

INTERNATIONAL AFFAIRS

United States & Canada

Moiseyev Invites Powell To Visit 22-28 Jul *[KRASNAYA ZVEZDA 20 Jul]* 26
General Powell Arrives *[TASS]* 26
Observer Previews Bush-Gorbachev Summit *[PRAVDA 22 Jul]* 26
U.S. Media Cited on G-7 Summit *[IZVESTIYA 19 Jul]* 27
Report on CIA 'Agents of Influence' Viewed *[KOMSOMOLSKAYA PRAVDA 5 Jul]* 28
Senate Committee SDI Vote Reported *[IZVESTIYA 19 Jul]* 29

China

Dalai Lama Praises Gorbachev; Hopes for Meeting *[INTERFAX]* 29
Rogachev, Cambodia's Hun Sen Meet in Beijing *[TASS]* 30
Talks on Cambodia Seen To Have Limited Prospects *[IZVESTIYA 18 Jul]* 30

Southeast Asia & Pacific

Maslyukov Activities at ASEAN Ministers Meeting *[TASS]* 30
Discusses Ties With Qian Qichen *[TASS]* 30
Meets ASEAN Foreign Ministers *[TASS]* 31
Talks with Malaysian Prime Minister *[TASS]* 31
Reviews Results of ASEAN Dialogue *[TASS]* 31
Expresses 'Satsifaction' With Talks *[TASS]* 32

Malyukov Begins Visit to Indonesia *[TASS]* 33
Meets Indonesian President *[TASS]* 33

Near East & South Asia

'Armed Provocations' Against Lebanon Reported *[IZVESTIYA 20 Jul]* 34
Commentary Hails Rafsanjani Remarks on Revolution *[Moscow International]* 34
Gulf Security Without Iran 'Illogical' *[Moscow International]* 34

East Europe

Churkin Explains Soviet Stand on SFRY Crisis *[Moscow International]* 35
Polish Minister Meets Russian Counterpart *[Warsaw PAP]* 35
Polish Concerns About G-7 Summit Viewed *[PRAVDA 18 Jul]* 36
Falin Meets With Slovak Left Party Visitor *[PRAVDA 18 Jul]* 36
USSR-CSFR Protocol on Payments Signed *[TASS]* 36

West Europe

Gorbachev Holds Talks With UK Leaders 36
'Unconstrained' Talk With Kinnock *[PRAVDA 20 Jul]* 36
Kinnock on 'Significance' of G-7 *[TASS]* 37
Kinnock: Gorbachev 'Capable' *[Moscow TV]* 37
Meets Thatcher *[PRAVDA 20 Jul]* 37
Thatcher Opinion on Meeting *[Moscow TV]* 38
Major Praises Talks *[TASS]* 38
Leaves For Home *[TASS]* 38
Further on Gorbachev Meetings *[cross-reference]* 38
UK Minister Favors Joint Aerospace Projects *[TASS]* 39
Cooperation To Expand *[Moscow International]* 39
Representative to NATO Seminar Interviewed *[TASS]* 39

NATIONAL AFFAIRS

Supreme Soviet

'Soyuz' Group 'To Fight' Novo-Ogarevo Agreement *[IZVESTIYA 17 Jul]* 40
Soyuz Deputies Discuss Political Platform *[Moscow TV]* 40
Military Service Law Provisions Viewed *[KRASNAYA ZVEZDA 19 Jul]* 41

Political & Social

Chita Obkom First Secretary Assails Gorbachev *[RABOCHAYA TRIBUNA 19 Jul]* 41
Shevardnadze Appeals for Unity Among Reformers *[Moscow TV]* 43
Shevardnadze Launches Book's Russian Publication *[ROSSIYSKAYA GAZETA 18 Jul]* 43
Shevardnadze, Popov Appeal to Democratic Group *44*
TASS Cites Shevardnadze, Popov 45
Democratic Reforms Movement Names Council *[Radio Rossii]* 45
Moscow CPSU Leader Predicts Split in Party *[Moscow TV]* 45
Prokofyev Urges Party Congress Review of Rules *[Moscow Radio]* 45
PRAVDA Sees Danger in CPSU Congress *[20 Jul]* 46
Aliyev Statement on Resignation From CPSU *[INTERFAX]* 48
Variant 'Draft' of Gorbachev Nobel Speech Noted *[MOSKOVSKIYE NOVOSTI No. 25]* 49
Newly-Launched KGB Publication Reviewed *[IZVESTIYA 18 Jul]* 50
Education Minister Reportedly Dismissed *[Moscow Russian TV]* 50
Yagodin Comments *[Moscow TV]* 51
Demonstrators Protest Coke Plant Pollution *[Moscow TV]* 51
TASS Reviews 20 Jul Soviet Central Press 51
TASS Reviews 22 Jul PRAVDA 52

Economic

Economic Report Shows Production Decline *[Moscow Radio]* 52
PRAVDA Reports Economic Performance Data *[19 Jul]* 53
Statistics Committee Holds Press Conference *[IZVESTIYA 19 Jul]* 53
Justice Minister on Economic Legislation *[Paris BUSINESS IN THE USSR No. 14]* 54
Finance Minister Discusses Budget, Debt *[Moscow TV]* 56
Union, RSFSR Cabinets Agree on Far East Fuel *[IZVESTIYA 20 Jul]* 59
Karpov on Defense Industry Conversion *[Paris BUSINESS IN THE USSR No. 14]* 59
400 Defense Plants Now Making Civilian Products *[Moscow International]* 61
Joint Venture To Provide Phone Link to U.S. *[IZVESTIYA 12 Jul]* 61
Scientists Draft Siberian Oil Exploration Program *[TASS]* 62

BALTIC REPUBLICS

Estonia

Meri Comments on Gorbachev, G-7 Meeting *[BALTFAX]* 63
Savisaar Meets Polish, CFSR Envoys in Moscow *[BALTFAX]* 63
Savisaar Recounts Talks *[Tallinn Radio]* 63
Economics Minister Leimann Returns From Sweden *[Tallinn Radio]* 63
Law on Smuggling To Take Effect 19 Jul *[BALTFAX]* 64

Latvia

'Closer Contacts' With NATO Considered *[KRASNAYA ZVEZDA 20 Jul]* 64
Riga Paper Gives Details of 17 Jul Explosion *[BALTFAX]* 64
USSR Official Promises Help on OMON Problem *[BALTFAX]* 64
Liepaja Radiation Said Higher Than Normal *[BALTFAX]* 65

Lithuania

Landsbergis Comments on Meeting With Yeltsin *[BALTFAX]* 65
Landsbergis Assesses Meeting *[Radio Vilnius]* 65
Treaty Details Explained *[Radio Vilnius]* 66
Leaders Quoted on Meeting, Treaty *[IZVESTIYA 20 Jul]* 66
Commentary on Treaty *[Moscow International]* 66
Shevardnadze Meets With Lithuanian Representative *[Radio Vilnius]* 67
Further Report *[BALTFAX]* 67
Prunskiene Wins Damages From Party Papers *[IZVESTIYA 12 Jul]* 68
Agreement With Center on 13 Jan Investigation *[Radio Vilnius]* 69
Landsbergis Receives Finnish Delegation *[Radio Vilnius]* 69
Prime Minister Invites Leaders to Talks *[Radio Vilnius]* 69
TV Director Publishes Open Letter on Attacks *[Radio Vilnius]* 69
Costs of 'Army Occupation' Summed Up *[Radio Vilnius]* 70
RESPUBLIKA Correspondent on Independence *[BALTFAX]* 70
Durable Consumer Goods To Be Rationed *[BALTFAX]* 70

RSFSR

Yeltsin Decree Abolishes Party Control *[Radio Rossii]* 71
Decree Detailed *[Radio Rossii]* 71
Called 'Blow' for CPSU *[Radio Rossii]* 71
Leaders of Local Bodies of KGB Hold Conference 72
Yeltsin Gives Address *[Moscow Russian TV]* 72
Further on Remarks *[Radio Rossii]* 72
Ivanenko Views Future Work *[TASS]* 73
KGB Chairman on Relations With USSR KGB *[Moscow TV]* 74
Economist Appointed as Yeltsin Press Secretary *[Radio Rossii]* 74
Yeltsin Interviewed on U.S. Visit, Press Law *[MOSKOVSKIYE NOVOSTI No. 25]* 74
Pavlov Interviewed on Trip to Yakut-Sakha *[Moscow Radio]* 76

Pavlov Arrives on Sakhalin for Visit 20 Jul *[TASS]* 76
Principal Conclusions Noted *[TASS]* 77
Democratic Party of Russia's Communists Planned *[Moscow International]* 77
Khasbulatov Discusses Supreme Soviet's Role *[Moscow Russian TV]* 77
Khasbulatov News Conference Cites Reforms, Taxes *[Radio Rossii]* 79
Shevardnadze Briefs Council on Movement Plans *[INTERFAX]* 80
Democratic Russia Plenum Ends in Moscow *[Radio Rossii]* 80
Deputies Seek NATO Observer Status *[Moscow International]* 80
More on Party Politburo's 19 Jul Session *[PRAVDA 20 Jul]* 81
Kozyrev Reviews Romania Visit, Lithuanian Treaty *[Moscow Russian TV]* 81
Kulik Discusses 'Augrage' Grain Harvest *[Moscow TV]* 81

WESTERN REPUBLICS

Belorussia

Deputy Says Republic in Grip of Communists *[Radio Rossii]* 82

Ukraine

Grinev Says Republics Support G-7 Visit *[TASS]* 82
Presidium Resolution on Military Service Noted *[Kiev Radio]* 82
New Workers' Movement Likened to 'Solidarity' *[Kiev International]* 82
Democratic Congress Meets in Kiev *[TASS]* 83
Seminar on CPSU Agrarian Policy Discussed *[Kiev Radio]* 83
Miners Start Meeting To Create Trade Union *[Kiev International]* 83
Police Detain Deputy Khmara After Incident *[INTERFAX]* 84

Moldova

Interview With President Snegur Published *[Bucharest ROMANIA LIBERA 16 Jul]* 84

CENTRAL ASIA

Kazakhstan

Magazine Profiles Kazakh President Nazarbayev *[Paris BUSINESS IN THE USSR No. 14]* 86
Party Central Committee Debates Union Treaty *[Moscow Radio]* 88
Cooperation Protocol Signed With Iran *[Tehran IRNA]* 88
Group Studies Cooperation With Eastern Europe *[TASS]* 89

Kyrgyzstan

Russian, Kyrgyz Leaders Discuss Interstate Ties 89
Yeltsin Leads Delegation *[TASS]* 89
International Relations Treaty Signed *[Radio Rossii]* 89
TASS Reports Treaty *[TASS]* 89
Yeltsin, Akayev Comment on Treaty *[Moscow Radio]* 90
Justice Ministry Officials Apply To Leave Party *[INTERFAX]* 90
Reformist Deputies Support Akayev's Reforms *[INTERFAX]* 90

Tajikistan

Cabinet of Ministers Reviews Economic Crisis *[Moscow Radio]* 91
Dushanbe Stops Atomic Reactor Construction *[Moscow Radio]* 91

Uzbekistan

Further on Muslim Board Conflict Mediation *[INTERFAX]* 91
Law on Foreign Economic Activity Implemented *[TASS]* 91
More on Investment Law *[TASS]* 92
Plenum Appoints Party Commission Chairman *[Tashkent Radio]* 92
Tashkent Oblast Elects Party First Secretary *[Moscow Radio]* 92
Japan To Aid in Satellite Communications Link *[Moscow Radio]* 92

Foreign Ministry Officials on START Treaty

OW2207082791 Moscow INTERFAX in English 1830 GMT 19 Jul 91

["Diplomatic Panorama" report by Mikhail Mayorov: "Soviet Diplomats: Superpowers find START Treaty Acceptable"; transmitted via KYODO]

[Text] Officials of the Soviet Foreign Ministry's Department for Arms Control and Disarmament speaking on Friday have said that the final draft of a strategic arms treaty due to be signed in Moscow later this month has been found to be suitable both by the Soviet Union and the United States as well as by their military. They said the foreign and defence ministries had always worked in close touch over the treaty for all of nine years and had never had any differences. "No unilateral decision has ever been taken", said one ministry expert describing as "idle talk" Soviet and world media allegations about differences between the two departments.

Foreign Ministry officials told an IF [INTERFAX] correspondent that most of the Soviet military were well aware about the negative effects from further strategic arms race to the society and themselves. However, they did not rule out a negative response from some military such as colonels Petrushenko and Alksnis "who always look for loose points in any agreement". They always give a false assessment of each disarmament-related paper because of "being misled by numbers involved". But in reality, the balance of forces is determined by a whole range of other factors that are not reflected in the paper rather than by the number of warheads or delivery vehicles the sides are committed to reduce.

The Treaty Provides for Less Than 50 Percent Cut in Strategic Weapons

Soviet diplomats said it would be more correct to describe the treaty as envisaging a 30%-40% reduction in long range missiles instead of halving them as planned in 1995. They said the parameters provided by the agreement had since changed and it would now be wrong to speak in terms of exact numbers of superpower missiles to be scrapped. The process is to be spread over 7 years and the uncertainty is caused by further plans for defence and disarmament by the Soviet Union and the United Staes. "Any figure is optional", said one disarmament expert. The Start treaty provides for three stages, with precise numbers being set for what and when must be eliminated.

Verification

The issue was one of the thorniest during the discussions of the treaty. Away from a matter of detail, said Soviet diplomats, the verification procedure is similar to that of the INF agreement which provided for the total elimination of medium range missiles but the START Treaty envisages a 30%-40% cut in long-range missiles taken in three stages. This places the need for wider and more ramified verification measures at each stage over a period of 7 years.

The Size of the Document

The blueprint is about 1000 pages long, both in Russian and English, but can be halved after experts in Geneva have finished verifying both texts. But even then, said Soviet diplomats, it will be the largest paper yet in the history of bilateral relations.

From Geneva 1 to Geneva 2

Immediately after the START treaty is signed, the superpowers are expected to set down to consultations and talks on further cuts in strategic weapons in line with last June's agreement reached by presidents Gorbachev and Bush.

Bessmertnykh Discusses Defense Policy

LD2007003691 Moscow TASS International Service in Russian 1945 GMT 19 Jul 91

[Text] Moscow, 19 Jul (TASS)—The following is the text of a letter from the USSR Foreign Minister to the UN Secretary General on the subject of defense concepts and security policy:

Esteemed Mr. Secretary General,

In accordance with resolution 45/580 [number as received] of the UN General Assembly, "Defense Concepts and Policy in the Sphere of Security," I have the honor to report the following:

1. Serious changes for the better are occurring in international relations. The period of the "cold war" is over, and favorable conditions are emerging for the formation of a qualitatively new system of mutual relations among states which is capable of providing reliable security not by military, but by political and legal means. That reliability would be achieved by an all-around strengthening of the machinery of international cooperation and interaction together with a radical lowering of the role of military force in the policy of states and openness and verifiability of the military sphere of their activities. Progress toward such a system is the objective trend of world development, but it has not yet become stable. The factor of military force remains one of the main means of providing security, both national and international. In this situation, special importance attaches to multilateral coordination of reliable guarantees in international law of the use of military force exclusively in the interests of maintaining peace and security.

Imparting a defensive orientation to the military-force component in the provision of security would meet the attainment of this task—but this presupposes the introduction of the appropriate changes to national military doctrines.

2. An intensive search is under way in the Soviet Union for new approaches toward the provision of national security in the military-political sphere. The USSR's military doctrine provides an orientation toward the implementation of radical changes in the planning of the use of the armed forces in their structure, in the stationing and the nature of groupings at the theatre of military action, in the system of military organization and the qualitative and quantitative parameters of military potential. In connection with the dissolution of the military organization of the Warsaw Treaty, additional changes are being made to this doctrine aimed at transferring it to the concept of defense within the framework of national borders.

The policy of attaining accords which are significant in the military respect, within the negotiations process, on various aspects of disarmament, retains its priority nature. Soviet-American treaties on medium and shorter range missiles and on nuclear testing have been signed and are being successfully implemented. Agreements, unprecedented in their scale, have been concluded—on the reduction of armed forces and weapons and on the further strengthening of trust in Europe. Real prospects for the conclusion in the near future of an agreement on a substantial reduction in the strategic nuclear arsenals of the USSR and the United States have emerged. The Soviet Union is convinced that the difficulties which have arisen at the talks on disarmament recently are wholly surmountable.

It is ready for a constructive search for the mutually acceptable solutions for the remaining unresolved problems. With the aim of stimulating further development of the process of negotiations, the provisions of the agreements already concluded as well as the possible format of the future agreement are being considered in the national plans for the military development of the USSR. In this context the Soviet Union is unilaterally undertaking a wide complex of measures for bringing the country's military potential into strict accordance with the requirements of defense sufficiency. The number of the Soviet Armed Forces, the total number of the military district, armies, and general military divisions has been reduced; the composition of the strike armament system has been limited; the scale of military production and military activity as a whole has been reduced; programs for gearing the military industry to output of civilian production are being implemented.

Thus, the USSR is making the concrete practical steps to adapt its defense construction to the new military-political and strategic realities.

3. At the same time, however, we are proceeding from the fact that imparting a defensive nature to military doctrines and, accordingly to the military structure, can be implemented only on the basis of reciprocity and within the framework of purposeful efforts by the states together with the extension of this process to all nuclear and other states in possession of great military might. In our opinion, the reinterpretation of the concept of "restraint" which is fundamental to military doctrines should be the starting point in this process. The time has come to begin freeing this from the attributes of confrontation, engendered by the cold war and from the reliance on mutual deterrence by the threat of the application of nuclear weapons. In our view, restraint should, to a greater degree, rely on an extensive system of positive interstate interaction and on the consolidation of political, legal, economic and military efforts by the leading states, under the aegis of the United Nations, aimed at preventing a threat to the peaceful development of international relations or at nipping in the bud acts of aggression and restoring peace, from wherever this threat or aggression might ensue.

4. The Soviet Union is convinced that genuine security for everyone can only be achieved with the full elimination of nuclear weapons and all types of weapons of mass destruction and with the reduction of conventional weapons and armed forces to the level of reasonable sufficiency.

The stage-by-stage nature of the movement toward a nuclear-free, secure world presupposes the preservation of nuclear weapons for a definite transition period. Under these conditions it is necessary to bring about a consistent reduction in the significance of the nuclear arsenals which remain temporarily in the range of means and methods of providing international security. The reduction of nuclear potentials to the level of minimal nuclear restraint presents itself, at the first stage, as a possible path for the solution of this task.

A key element in the search for a formula for minimal nuclear restraint is, in our view, the determination of the minimum fighting capabilities of the sides, with which each of them is capable under any possible conditions of response actions, of inflicting "restraining" damage on the opposing side. With such an approach minimal nuclear restraint will also guarantee strategic stability.

The question of the essence of "minimal nuclear deterrent" and "deterrent" damage and their role as stabilising factors could be examined in the course of the appropriate consultations between the five nuclear powers.

The Soviet Union is convinced that the problem of a minimal nuclear deterrent should be viewed in relation to the nonproliferation of nuclear armaments and the means of their delivery, and the rejection of other mass destruction weapons, especially chemical and bacteriological weapons, by all states.

5. In the area of conventional armed forces, the defense concept envisages their limitation to the level of sufficiency, which is understood by us to be a minimum for combat potential to ensure reliable defense from possible aggression. In our view, the deterrent function of sufficiency, as applied to conventional armed forces, is manifested precisely in this. At the same time, sufficiency level does not create opportunities for a sudden

attack and the conduct of large-scale offensive actions without additional deployment of armed forces.

In accordance with such an approach, transition to the practical level of the sufficiency principle as applied to the conventional armed forces, including the land, air force, and naval components, would, in our opinion, mean imparting a nonoffensive structure to the armed forces; the quantitative reduction of the armed forces and armaments; limitation of the systems with sudden attack potential, and the new conventional strike weapons comparable in their destructive potential with the mass destruction weapons; changing the armed forces groupings and their stationing in consideration of the solution of defense tasks; limitation of the intensity of military activities; and reduction of the scale of military production and expenditure.

The defense concept also envisages deployment of the armed forces within the limits of national or state borders and liquidation of military bases on foreign territory.

6. The aims connected with transforming states' military doctrines to give them a defensive character could be attained by means of the synchronization of global and regional efforts in their sphere. The character, speed, and intensity of the reorientation of military doctrines will undoubtedly vary depending upon specific conditions in each specific region. However, the necessity of involving all regions and states in this process, primarily involving those that are the strongest in military and economic terms, remains immutable. Europe, where they have already started to reach agreement on a general concept and specific guidelines for the transition to defensive military doctrines, could serve as an example. It is our conviction that the European experience could prove to be attractive to other regions.

7. As a result of what is obviously manifesting itself as the global character of the problem of reorienting states' military doctrines onto defensive bases, and due to the necessity for active multilateral efforts in this sphere, the Soviet Union advocates the opening up of a broad international dialogue covering the full range of issues relating to defense concepts and policies. [words indistinct] potential of the UN disarmament mechanisms. In particular, we consider that the work already started by the UN in conducting a special investigation into the given problem will be an important contribution to defining specific ways to resolve the tasks arising in this sphere.

The United Nations and its disarmament mechanisms can play a significant role in helping members of the world community reach a general understanding on the essence and character of defense capability [oboronitelnost] as it applies to states' military doctrines.

Bush Taking 'Dual Position' on Arms Cuts

PM1907154191 Moscow KRASNAYA ZVEZDA in Russian 19 Jul 91 First Edition p 3

[By Aleksandr Golts under the rubric "The World Today: Problems and Opinions": "Sowers of Hostility Rearing Their Heads"]

[Text] This week's events in London and Washington demonstrate that mankind is fast learning to overcome confrontation and mutual misunderstanding in precisely the way that it once learned to overcome the Atlantic Ocean separating the two capitals. Indeed, no matter how you view the results of the meeting of the seven Western countries' leaders with USSR President Gorbachev (a detailed analysis of this event is still awaited), it is absolutely clear that new foundations are being laid in the British capital for global mutual relations in the world, and that the Soviet Union is assigned the role not of an opponent but of a partner.

What are the results of the work done in Washington by USSR Foreign Minister A.A. Bessmertnykh, Army General M.A. Moiseyev, chief of the USSR Armed Forces General Staff, and their U.S. colleagues? In just four days of intensive talks, solutions were found to two problems which nine whole years of talks on the strategic offensive arms reduction treaty could not resolve. Meanwhile, at the meeting between M.S. Gorbachev and G. Bush in London, the following step was taken. The road to reducing the Soviet and U.S. nuclear arsenals will be opened. That made it possible to schedule the Soviet-U.S. summit for the end of July.

In recent days, however, a trend has appeared which is attracting closer attention. Let us give the floor to the Soviet foreign minister, who has just held extraordinarily successful talks. "I have the impression," A.A. Bessmertnykh noted, "that certain circles hostile to the USSR, who had at one time quieted down, are now raising their heads again. Once again I have heard certain people: They were keeping silent and now suddenly have begun speaking up again, and furthermore from the same positions as before." Is this a subjective impression? Not at all.

Now it is clear to see that, as progress is made toward the conclusion of a treaty on strategic offensive weapons and toward the Soviet-U.S. summit, those people in Washington who do not want the further improvement of relations with our country have become more active. Clearly planned slander campaigns follow one after the other. In essence they attempt to prove that the Soviet Union cannot be trusted even now. THE WASHINGTON TIMES, for example, has been carrying blatant fabrications based on information from spy satellites claiming that the USSR had chemical weapons dumps on German territory and is now covertly evacuating them. Senators Helms and Wallop, well known for their negative attitude to all Soviet-U.S. accords, are trying to prove that our country supplied the United

States with incorrect information during the preparation of the strategic offensive arms treaty.

Although quite prosaic, the reason for the upsurge in such activity is very substantial. It "amounts" to almost $300 billion. It concerns the Pentagon budget, which is presently undergoing quite difficult scrutiny in the Congress. You can understand the congressmen campaigning for the reduction of military spending. Indeed, why spend money on hyperexpensive arms systems designed to be used opposing the Soviet Union when that opposition itself is clearly receding. For example, the House of Representatives refused to allocate $3.2 billion for the production of the very latest B-2 strategic bomber created using stealth technology. A technology which, in the Pentagon experts' opinion, makes the plane invisible to radar.

And this despite the fact that the military department specially organized for legislators some highly secret demonstrations of aviation equipment using that technology: In addition to the B-2, the display at the Edwards Air Force Base included a fighter-bomber and even a "top secret" cruise missile. However, even that did not convince the legislators.

There is an equally contradictory attitude in the U.S. establishment to what remains of the "Star Wars" program. Namely, the "brilliant pebbles" project which, as is well known, envisages deploying a large number of small, independently targeted missiles in space. Now that program is going to be joined by another—GPALS (Global Protection Against Limited Strikes). As far as can be judged, this concerns the deployment of ground-based theater anti-missile missiles using satellites. It is due to be deployed in 1996. The idea was developed as a result of the effective operation, in the Pentagon's opinion, of the Patriot system during the Gulf War. GPALS will cost approximately $46 billion.

"Some people even find it hard to say," THE WASHINGTON POST said ironically, "what threat this system is supposed to ward off. The impression is created that basically we are talking about some insane Soviet submarine commander who wakes up one morning, has a cup of lousy coffee, and decides to launch a missile strike against New York." However, this uncertainty does not prevent even President Bush from regarding the B-2 and GPALS as priority programs. Furthermore, he states that he will veto the draft budget if it does not mention financing these programs. Why, the author of THE WASHINGTON POST article asks, is the President, who is preparing to sign the strategic offensive arms treaty envisaging strategic arms reduction, campaigning for a program which, in many people's opinion, would be in clear violation of the ABM Treaty. The whole point is that "it is absolutely clear" to the U.S. President "who the enemy is. It is the right wing of his own party, which will rise up and destroy him if he completely abandons the most magnificent folly of all Ronald Reagan's defense lunacies."

These are harsh words, indeed, but at the same time it is impossible to believe that serious U.S. politicians consider the deployment of such arms systems necessary for national security. Clearly those who represent the interests of the U.S. military-industrial complex still exercise a certain influence on the activity of the top echelons of power. An excellent illustration of this dual position is provided by Bush's speech to members of the defense readiness association, which brings together representatives of the arms business.

The U.S. leader expressed a number of ideas which, I think, do him credit. "You do not need a degree in accountancy or a whole chestful of medals," Bush remarked, "to understand that in present conditions every penny that we spend on unnecessary defense components will be to the detriment of the durability of our defense. I know that budget cuts are going to be painful. However, we must set new priorities for ourselves and concentrate solely on the most important, absolutely essential programs. I would also like to warn that our efforts must correspond to national interests and national requirements, not the narrow interests of individual sectors and corporations."

You cannot disagree with that, but those threats to national security which the President lists make you doubt the sincerity of his words. It turns out that the threat to the United States is represented by centers of instability, by "despots" armed with modern weapons and the ambitions of the past. And here, in my view, is where the blatant chicanery occurs. However hard you try you cannot find in the world the kind of despots whom you would need to fight in a war using B-2 strategic bombers or all kinds of variations on the SDI theme. There are not many countries in the world capable of launching a strike against U.S. territory.

But the new programs, it seems to me, are the compromise the U.S. administration is offering the military-industrial complex in exchange for certain planned Pentagon budget cuts. But this compromise is far from innocuous. After all, the arms systems in question require a completely new adversary, and the President is already stating that the Soviet Union "remains a military superpower with a constantly improving military machine and a program containing many arms systems." To be frank, the appeal to the Senate to adopt the kind of budget that would enable the "next war" to be waged sounds quite frightening in this context.

In conclusion, I would like to return to the London meeting. It seems to me that the G-7 are in no hurry to grant large-scale credits to the USSR. This was not because the participants in the conference were not convinced by the USSR president's ideas on the structural reorganization of the economy. The captains of capitalism decided to wait until the plans for transition to the market begin to be implemented. That is understandable. Meanwhile, U.S. President Bush, talking about the forthcoming meeting with M.S. Gorbachev in the British capital, promised to try to convince him that

"the Soviet military have nothing to fear from the United States." But the Soviet military, as I understand it, prefer, just like Western leaders, to operate not on the basis of the partner's words and plans but of his actions.

'Cold War Criteria' Still Influencing Pentagon

LD2107120191 Moscow TASS in English 1118 GMT 21 Jul 91

[By Aleksandr Korolev]

[Text] Washington July 21 TASS—U.S. military planners have reduced their list of proposed targets in the unlikely event of a nuclear war with the Soviet Union, THE WASHINGTON POST reports today referring to U.S. high officials.

The updated war plans, recently approved by U.S. Secretary of Defence Richard Cheney, dropped about 3,000 targets, located mainly in eastern Europe, leaving as many as 7,000 Soviet targets.

The new target list reflects the major political shifts towards stronger global security. The new plans also provide for "the use of fewer warheads in various attack options."

"The reduction of targets from an estimated 10,000 approved by former President Ronald Reagan, also anticipated cuts of some Soviet conventional arms under a 1990 treaty, improvements in the accuracy of U.S. war heads and better knowledge of Soviet military vulnerability", the newspaper notes.

The new war plans had been crafted to accommodate the strategic arms reduction treaty that Bush and Soviet President Mikhail Gorbachev are expected to sign in Moscow at the end of this month.

But retaliatory options still envision the annihilation of the Russian Republic by means of 5,000 nuclear warheads targeted on it, each of which by far exceeds the yields of the atomic bombs that had been dropped on Hiroshima and Nagasaki.

According to unnamed officials, some important changes to the secret war plans were introduced in October last year and many [words indistinct] two and a half month's time.

Although the revised war target list contains less targets than previously, it still shows that Pentagon strategists continue to stick to cold-war criteria which, in the opinion of independent experts, should be changed.

Gorbachev Concludes London Visit, Returns

Interview on G-7 Meetings, Reforms

LD1907184991 Moscow Central Television Vostok Program and Orbita Networks in Russian 1609 GMT 19 Jul 91

[Interview with USSR President Mikhail Sergeyevich Gorbachev by Soviet television political observer Valentin Zorin and British ITN correspondent Jon Snow in London; date not given—Snow speaks in English with superimposed Russian translation—recorded]

[Text] We present for your attention an interview given by Mikhail Sergeyevich Gorbachev to Soviet and British television:

[Zorin] Mikhail Sergeyevich, first I want to thank you for making time in such a tough schedule for a chat with my British colleague and me. On the basis of the rules of hospitality, I will give Jon Snow the right to ask the first question.

[Gorbachev] Yes, we are on his home ground. Jon [word indistinct].

[Snow] Mikhail Sergeyevich, Mrs. Thatcher once said, even before you became Soviet leader, that one could do business with this man. Now Mrs. Thatcher is no longer in the political arena, but you are the political leader of the Soviet Union, and the British prime minister is John Major. Are you able to do business with him as you used to? Has the change influenced the position?
[Gorbachev] You know, these days have made me even more certain that we will be able to cooperate well and fruitfully with the new prime minister of Great Britain. I hope that this will be manifested not only in the dialogue that we are conducting within the framework of Soviet-British dialogue and cooperation, but also in connection with the new situation that has arisen following the meeting with the Group of Seven.

I had more than one lengthy talk with your prime minister here yesterday. We agreed here to work actively. Thus, the opportunity is opening up for us to continue what has already begun in our relations and, I believe, to make them even deeper and to cooperate effectively. I view cooperation with the current prime minister with optimism.

[Zorin] Mikhail Sergeyevich, I want to return to those difficult days. Mr. Major is not altogether inclined toward emotional overstatements but, nonetheless, he called the meetings that have taken place here historic. Is this an exaggeration? How do you evaluate the significance of the meetings in London?
[Gorbachev] We frequently used the word historic in the past. In a number of cases it was inappropriate. Probably Soviet people now regard this word with a certain degree of suspicion. In this case I would agree with Mr. Major. What has taken place is a rather promising start. If it is continued and developed—and I am confident that this will, indeed, be the case, because political will has appeared on the part of the leaders of major states to interact, taking account of what they already have, on the basis of the positive things attained over the recent years in the development of international relations and in cooperation—it will now be possible to go even further and to make use of the opportunities opened up by the emergence from the cold war and the entry into a new stage of development of world politics.

I think everybody was actually contemplating and expecting the results of this meeting with a great deal of anxiety, because—this is what I felt—everybody was, I would say, everyone felt responsible for making what is probably one of the most important political decisions. Everything else follows from this. From this point of view, I think this meeting met the expectations and opened up a new stage, a new phase in the development. Now it remains to build up cooperation on the basis of these approaches. We have mechanisms that we need here. Something has been decided by the seven, with my participation as well, in this respect. Mechanisms will be put into action, that is how I assess it. Together with Mr. Major, I would call this event historic.

[Snow] I would like to return to a very important point—to your decision to sign the START treaty, the treaty on strategic offensive arms, within the coming days. I was in Reykjavik, in Hofdi House, when we all were so excited and agitated by the fact that your talks were longer than expected. We thought that, you probably persuaded President Reagan that the dream of a nuclear-free world must be implemented. Do you still have this dream of a nuclear-free world, and is this treaty a part of the movement toward this dream?
[Gorbachev] Well, first of all, I am glad to see here a participant of that meeting, which was a unique and dramatic meeting. At first some people perceived it as a breakdown, but it turned out that it was a breakthrough and not a breakdown. Without Reykjavik, today's situation—reaching the signing of this very important as well as historic document—would not have come about. I am compelled to use this word here again. But how can one help but use this word when talking about such a great reduction of nuclear potential, through which we are further removed from that nuclear threat and which creates confidence that we—most importantly—are capable of decisions and are up to significant deeds. This is no less important than the reduction of nuclear weapons.

This says a lot, I think. Yes, I think we must move even further along the road of building a nuclear-free world. In connection with this, I confirm the concept I put forward in 1986. Then, too, it did not meet with an identical response everywhere. First, it was called an illusion, and then all of a sudden we arrived at the elimination of a whole class of missiles. By this I mean medium- and short-range [as heard] missiles. We opened up an active negotiating process for strategic offensive weapons and came to this result.

So, at that point the idea seemed to be utopia. I think it is understandable that when major ideas are proposed, they may not be accepted immediately. But now I think this is confirmation that this was a considered plan. We will adhere to the principled course we proposed then in my statement, because it is not only my point of view, my statement, but it reflects the stance of the Soviet leadership.

[Snow] But in this case, what is to be done with those countries that behave incorrectly, such as Iraq, for instance, which may remain a threat? Is some kind of pact necessary to protect the world from this kind of international outrage, from this kind of hooliganism, such as Iraq exhibits?
[Gorbachev] Well, you know, I will say that this sphere is so important—it is a critical point, let us put it that way, of our common security—and here everything must be done in a serious, responsible way. First, if we go further—and we will—then not only must the United States join in but other members of the nuclear club must also join in.

On the other hand, we must indeed concern ourselves with going back and comprehending the whole problem of what should be done so that this nuclear club does not expand. Basically, the technical groundwork in many countries is such that they can possess nuclear weapons. But if we and the world have moved along the path of nuclear disarmament, then one can hardly approve of such intentions, and everything has to be done within the framework of the United Nations and other negotiating mechanisms and processes so as to remove this concern and set up the necessary political barriers, monitoring barriers, in the way of the proliferation of nuclear weapons.

[Zorin] I would like to take my colleague, Jon Snow, back to London. On the eve of this meeting there was a lot of speculation, saying that the Soviet Union would be coming here for credits and loans. Everything was concentrated around this. Meanwhile, you have frequently stressed that, first of all, we are talking about the integration of the Soviet economy, the economy of our huge country, into international economic relations, and about a symbolic pulling down of the Berlin Wall, not in the sphere of politics, but in the economic sphere. Did you succeed, if not in pulling down, then at least in breaking, such a wall?
[Gorbachev] I think this is the most important thing if we are to talk about the political results of this meeting. After all, I already said in Moscow that it is not a meeting of finance ministers. Generally, I regard credits and finances as normal things. This is real life, and credits and finances are needed. This is all natural.

In this particular case, the task is very different. We are talking about the fact that the Soviet Union has made its choice in favor of being organically included into international economic relations. In order to do so, it has to undergo very drastic changes so that it is able to accept the rules of the game and to make it possible to combine the economy of our countries and other countries.

We have made our choice, we are taking the road of reforms toward a market economy. But this will not just happen. Western countries should change and approaches on which they were building their relations with us in the economic sphere should change. After all, a lot of things that form the foundation of these existing relations were formed during the years of the cold war and the arms race, and that is why a lot of things are accumulated on the way, under the guise of not strengthening the Soviet Union and not increasing its military might. The sort of obstacles were erected which, on the whole, negatively affected the whole sphere of cooperation. That is why, I would say, each side must try to accommodate the other.

Now there are a couple of major projects that are ready. They were drawn up by our business people and those of Western countries. Moreover, I can illustrate this. I have illustrated this to people. There are projects that representatives of the business world from all countries are participating in. You know, if there is one element that falls under the Cocom list of restrictions, then the whole project falls through. As a rule, such projects cost millions; this is abnormal.

Moreover, in order to prove that we are opening up to the world economy, that we feel like cooperating, and that we think about a peaceful future for everybody and about universal security, we propose cooperation in the defense sector. This is a very powerful argument in support of our intentions.

Understanding has arisen, and from this understanding it emerges that we must act on our own part by moving toward each other. Now, after the meeting of the seven here in London, we must not waste time. We must rely on moving toward meeting each other halfway. Therefore, the issue of the Soviet Union being included in the International Monetary Fund, the World Bank, the Reconstruction Bank, and other economic organizations on one basis or another has been raised. This process was examined within the context of implementing such an agreement, such an understanding.

[Zorin] I would like to continue my question in the following way: The breakthrough in the political sphere, the new way of thinking, was achieved several years ago. A new economic breakthrough is taking place before our eyes in London. How can such a gap in time be explained? Is it unavoidable or is it some sort of error?
[Gorbachev] You see, only because of impatience—when life puts pressure on them—do people want everything to change quickly: go to bed, sleep well, and wake up in the morning to find that everything has changed as you had counted on it doing when you went to bed. This does not happen in life, in politics, or in economics, particularly when we are talking about things on such a vast scale. Therefore, everything should come to maturity. I think that without what we have been through

within the framework of the new approaches and the new way of thinking, without the sphere of cooperation and the trust that has arisen and that has led to unprecedented political dialogue, then this stage would also not have come into being. We had to do it naturally.

Now I will put it this way: If we do not really arrive at a new quality of cooperation in the economic sphere, then this will have repercussions for the results that can be achieved by political dialogue. All of this is very much tied together. Therefore, it would be a serious trivialization to reduce everything that has happened to the Soviet Union having been nudged along by some short-term factors—and there are some difficult factors in our country.

I have told my colleagues: Tell me which country has not gone through a stage like this? Every country—some of them more than once—has been through such difficult stages. Countries have emerged from them, have gathered strength, and have moved on. This is what will happen to the Soviet Union. Yes, things in our country are difficult and complex and the processes are unfolding with difficulty, but today the issue is the broad prospects, the broad scope of affairs, and the things that we all need to preserve and dignify this civilization in the interests of all peoples.

[Snow] Mikhail Sergeyevich, even while you have been out of the Soviet Union, conservatives such as Colonel Alksnis have been calling for your resignation and making attacks on you. What presents the greater threat for your efforts toward economic perestroyka: the right wing, people like Alksnis, or the radicals?
[Gorbachev] First, in every country, especially where there are opposition parties, you will hear calls for the resignation of this or that government. Therefore, the statements by People's Deputy Colonel Alksnis testify to the fact that the democratic process is continuing and is being maintained in the Soviet Union; pluralism of opinions, political pluralism, is being formed.

From this point of view, I want to turn this admittedly unpleasant instance to my own advantage and say that democracy is developing. Democracy, though, does require a certain culture and responsibility on the part of the people, and this is very much lacking. The phenomenon of people like Comrade Alksnis on the political horizon is also evidence of the fact that we still have to master how we should live and act in the context of democracy.

Finally, the main question: I would answer that quite differently, you know, without going into right-wing and left-wing or centrists, I will not make such an analysis now. I will put it more simply.

For several years we have been moving the process of perestroyka through reforms, adopting political decisions and adopting various laws. But a group of fairly reliable experts who were in the Soviet Union under our agreement with President Bush recently travelled around the country and got a big surprise. The grounds for the surprise were this: A year ago when they travelled around the country, passions were boiling in the major centers and in Moscow, but about 200 or 300 km away there was quiet everywhere; people were carrying on with their lives. Now the process... [changes thought] Society has been set in motion.

I would say that what started from the top now has support and powerful backing from people in society. People are for changes, under certain conditions, of course, so that these will turn into improvements in life. This is the most important thing today. Therefore, this trend in support of continuing and even radicalizing the changes embraces all healthy forces on the left, on the right, and in the center.

I exclude both left-wing and right-wing adventurists from this process. They are not for serious politics, and they must not be admitted to power. As for all the rest, that is alright, that is the diversity of opinions that allows us to see our policies in the very process of implementation, to see the strong and weak sides, and to introduce amendments and advance that process.

[Snow] I would like to continue that question if I may, Mikhail Sergeyevich. As a result of perestroyka, democratically elected, non-communist presidents have appeared in several republics. In this connection, can you forsee a situation in which the president of the Soviet Union will be a non-communist? Could you become that person?
[Gorbachev] Yes, you are right. Non-communists have been elected in some places. Most often these are former communists, so something remains in them from their past education. We will see who is in what party later. It is not a matter of that, though; it is a matter of us having created the framework of democracy. We have arrived at free elections. That is the guarantee that each time, from election to election, society will see all the candidates better and selection will be better and more thorough. That will create the guarantee that at all levels, from the rayon to the highest, Union level, there will be people who have shown their worth, who have tested themselves, and who people trust.

But reform should only be carried out provided you enjoy trust and support. It is another question of which party will be represented. There are many parties already. Elections are taking place under a multiparty system. Let these parties compete with their programs and let them put their best candidates and leaders forward! The winner will receive support. Naturally, it will be these leaders who will continue further to head the reforms. It is very important to see here that this is the most important thing. But within the framework of political pluralism, others will also make a contribution to the political process.

[Zorin] Mikhail Sergeyevich, I am very impressed by what I have seen here in London over the past few days. Therefore, once again, I have another question connected with London. Many of the important decisions

that you and your colleagues adopted here will not begin to yield results immediately. Some time is needed. But, taking account of the present state of affairs in our country, we are in need also of urgent measures. How do things stand as far as these go?
[Gorbachev] Well, in the first place, it must be said that before this meeting we were cooperating with many countries. Many of them are active, showing solidarity with the matters that we are deciding within the framework of perestroyka—and not just in words, as they are granting credits, which is making it easier to solve the current problems. But on the whole, you know that I will begin by saying that it is wrong to think that credits will save us. The main work, the main burden of responsibility lies upon us, upon Soviet society. But think—a gross national product of 2 trillion rubles. The press has been writing about how much will be allocated and whether 10, 15, 20, or 30 trillion a year will be allocated. Just compare $10 or $20 trillion and a gross national product of $2 trillion and everything will fall into place at once!

So, we need perestroyka. We must implement it and resolve all the problems that are connected with it. But that process will be easier, more successful, and quicker. This has been proven in the EEC and other regional associations, and in North America it was concluded that closer coordination was needed between Mexico, Canada, and the United States. These are processes of cooperation and interaction—cooperation like that which accelerates any society. Therefore, both we and our partners gain when we cooperate. That is the second thesis.

Finally, the third thesis. Of course, now that we have entered the phase of the most decisive reforms, of the transition to new forms of life, there are such critical points where our success will be achieved all the more quickly if we cooperate with our partners. There are such points here and they are in the interests of those who intend to develop economic cooperation with us. The convertibility of the ruble is an example. If that task is resolved—and it is necessary for internal economic processes as everybody in our country is looking to find these dollars to resolve a problem, even a small one, that is preventing him from developing his business—then a convertible ruble removes that problem and makes it possible to buy equipment where necessary, to strike up cooperation, and to resolve matters, to move more quickly. Likewise, the convertible ruble opens up possibilities for quite a different situation to develop for cooperation with Western firms.

Therefore, one asks: When are we going to tackle this problem? In this case, perhaps it will be appropriate to think how we can make this transition less painful through cooperation and arrive at the new situation. This is a very large step. There are also other problems. Here, in deciding such concrete questions, we naturally count on cooperation—we are not talking about figures, but approaches. Another example is the problem of forming the market, which we have now. Therefore, we need the commodity intervention of products as a form commonly accepted in the world, which could help us now by turning our industry around and gearing it more and more toward producing consumer goods as well as using the means of those partners with whom we cooperate and improve the situation.

[Snow] Mikhail Sergeyevich, in your Nobel lecture in Oslo you said that in April 1985 you did not forsee the scale of the problems you would encounter in transforming the country. If you could have an opportunity to start again, would you want to do something different?
[Gorbachev] Well, I think that if I had to start this process again I would still start it, without doubt. Now, as a result of my better knowledge of my own society and the world, I am convinced that this was needed; moreover, this had to be started 10 to 20 years ago, if not even earlier. But this is already too large a topic. Regarding the ways of doing this, I want to say this: We will keep the main elements of such a concept. There were a lot of debates about what we should be starting with, the economy or politics, with the economic reform or political reform. We discussed at what point and how we should be tackling the problems related to the development of the federation, its renewal. We could carry on arguing. Maybe somewhere a certain synchronization in decisions adopted by us did not take place—somewhere we were late, and somewhere we hastened without thinking everything through, having relinquished the old forms and structures without creating the new ones yet. This caused some damage. Therefore, tactical corrections should be introduced, but the main elements of this policy, this concept of perestroyka, should be preserved. All this is needed by society. I am even more convinced now on the basis of my knowledge. Historically, the time has not been lost, although we should have started all this earlier.

[Zorin] Mikhail Sergeyevich, my concluding question is, on the whole, personal, and perhaps not quite diplomatic, but I would like to ask it. Some of your ideas were adopted in London, which will have results only after a certain time. That goes for other most important steps by you as well, including in our country. On the whole, you are doing the sowing, but perhaps another will have to do the reaping. Doesn't that ever bother you?
[Gorbachev] No, it does not bother me. For instance, I am pleased with what I did in Stavropol kray. I laid the basis for a systematic approach in thinking about the development of the economy, of cities and villages, of culture, of resort tourism, and more. Now the kray is living a full-blooded life, although I won't say problem-free. If there are no problems, society will come to a halt and will perish. There will be problems if there is movement. But I see that there are some results. Therefore, I think that you are right.

I spoke to the writer Leonov. He was 90 years old and I was in his apartment. We held a very interesting conversation. I was struck, first of all, by how perceptive he was, by his wisdom. I was struck by the fact that he was up on all our affairs. He expressed the thought that the most

serious problem and difficulty lies in the fact that what you do now shapes the life that will come and that our state will live, on the whole in 100 or 150 years. But when all of that is being done today and these generations have to do all of that, of course, it is not easy for them. The current problems weigh one down. Well, the whole difficulty of the problem lies, of course, in that natural contradiction, but not because I am a person who professes that old slogan: In the name of a radiant future. No, on the contrary, I think that we simply could no longer avoid doing what we are doing today. We have to act to avoid falling by the roadside of the progress and development of the whole of civilization. Therefore, we must act, but act in such a way that there are fruits in the near future, too. Fruits have been yielded in the sphere of the political process, democracy, and openness, and the fact that one can take deep breaths of oxygen now, so to speak. But we need, alongside this, progress in the sphere of the economy which will result in a boon for people, and in the improvement of their living conditions. There are possibilities for attaining the first results in the near future, and for embarking on a path for gaining, different dynamics in order to resolve these vital problems in the life of our people. Therefore, in the future, the harvest probably will be richer, but now we are counting on what we are doing to yield people what they desire.

[Snow] Mikhail Sergeyevich, many thanks for this interview.

[Zorin] Thank you, Mikhail Sergeyevich. Thank you very much.
[Gorbachev] All right.

Arrives in Moscow

LD1907150791 Moscow TASS in English 1450 GMT 19 Jul 91

[Text] Moscow July 19 TASS—President Mikhail Gorbachev returned to Moscow from London today.

In the British capital, he addressed the leaders of the group of seven nations, held a series of bilateral meetings with them and carried out an official working visit to Britain.

At Vnukovo Airport, Gorbachev was welcomed by Vice President Gennadiy Yanayev, Supreme Soviet Chairman Anatoliy Lukyanov, First Deputy Prime Minister Vladimir Velichko, Deputy General Secretary of the Soviet Communist Party Vladimir Ivashko, members of the USSR Security Council and other officials.

Upon disembarking, the USSR president briefly answered journalists' questions. Talking about the main result of the London trip , he stated:

"A new, large-scale and much-promising process has been initiated. To implement accords, we, on our part, should carry out planned reforms. This is a must. As to the Western countries' movement in our direction, we should remove obstacles in the way of cooperation."

Asked about the forthcoming Moscow summit with U.S. President George Bush, Gorbachev said he expected it to be "a good meeting".

Cited on G-7 Talks in London

LD2007225991 Moscow Radio Moscow World Service in English 2200 GMT 20 Jul 91

[Text] The Soviet president, Mikhail Gorbachev, has said that the Western countries have shown the most serious intention to promote in practice the solution of problems encountered by the Soviet Union.

Interviewed by the German newspaper WELT AM SONNTAG upon his return from London, where he met with the leaders of the Group of Seven, President Gorbachev admitted that the Soviet people had met with very serious difficulties which were unlikely to be eliminated during the lifetime of this generation. However, he said we have no choice; for this reason one can only welcome the understanding and solidarity which has taken not only a verbal form, the Soviet president said.

The talks in London achieved the maximum they could. A new promising process has begun, the implementation of urgent reforms in the Soviet Union is the most important precondition of success. Only this can bring the Soviet Union and the West closer together, to expand cooperation with the West and translate into life the agreements reached in London.

More on 18 Jul Press Briefing With Major

PM1907110091 Moscow PRAVDA in Russian 19 Jul 91 Second Edition pp 1,5

[TASS report: "New Start in Relations. J. Major and M.S. Gorbachev Joint Press Conference"]

[Text] London, 18 Jul—After the meeting with the leaders of the seven, Prime Minister J. Major and President M.S. Gorbachev held a press conference. In his introductory speech J. Major said, in particular:

We support the process of reforms. The theme of the summit meeting over several days was the building of a world community, and I believe we placed our relations with the Soviet Union on a higher footing. It was an historic event. President Gorbachev set out the Soviet republican organs' plans for the reform of the Soviet economy. He did it fully and frankly. All the summit meeting participants have been following the development of the economic reform plans. We especially welcome President Gorbachev's championing of practical, political, and economic reforms and we expressed our support for this process. As I said during the discussions, the tasks facing the Soviet leadership are enormous, but their potential is unlimited. Everyone agreed to work together to contribute to bringing the Soviet Union into the world economy. We also agreed that there would be no point in our giving assistance unless the Soviet Union provided the necessary climate for change. It is profitable for us to help the Soviet Union develop its

resources. Accordingly, we agreed on six points. The first of them concerns collaboration with the IMF and the World Bank. We believe it would be a major step toward the Soviet Union's closer involvement in the world economy. We agreed on the need to continue cooperation within the framework of the summit and we therefore propose that all international organizations—the European Bank for Reconstruction and Development, the IMF, and the World Bank—increase their efforts to support the Soviet Union. We agreed to step up technical assistance in the following spheres: conversion of the defense industry, solution of the food problem, nuclear safety, and transport. The general wish was that I, as chairman of this year's conference, should visit Moscow this year to discuss with President Gorbachev questions of common interest to all of us.

[M.S. Gorbachev] I had a conversation with the French president. Then there was a very intensive, productive dialogue with Mr. Attali, the president of the European Bank for Reconstruction and Development and with the Japanese prime minister, and then there was an important meeting with President Bush. We completed some hard work on the Treaty on the Reduction of Strategic Offensive Armaments. The final questions were resolved, which makes it possible to present the treaty for signing. In this connection Bush and I agreed to hold a meeting in Moscow at the end of July. I believe this is good news not only for the present day, it shows that despite all the difficulties important changes are taking place in the world, producing the kind of results we never even imagined a few years ago. The same can be said of the present meeting of the seven. I want to thank the citizens of Britain for their hospitality, for doing all they can to enable us all to do some good work and achieve positive results. There has been an unprecedented political dialogue and a productive arms talks process, resulting in major documents. There has been the development of the Helsinki process, in this case I am referring primarily to the Paris Charter. Many very old and acute conflicts have been solved and we have acquired much else by embarking on the path of perestroyka: abandonment of the methods of the cold war, awareness that we are part of the same civilization. As a result we now have a unique opportunity to enhance this process and consolidate this trend. Particularly as many of the profound changes that have appeared are causing concern. In this situation it is very important that no one should be tempted to try to use this against the interests of the process which we expect to lead us to new international relations.

We are prepared to cooperate and to share the responsibility with all the peoples and, of course, with those represented here within the framework of the seven. We believe this process will be more stable, reliable, and predictable if the proper changes take place in the sphere of economic relations.

It cannot be said that we do not have links with the world economy. Indeed, we trade with the whole world and enjoy the fruits of many peoples' labor. That is good, but we are not yet an organic part of the world economy, a full participant in world economic links.

But the integration of the Soviet Union into the world economy also will not occur if it is regarded in the way that it was during the well-known years of confrontation. So the obstacles have to be removed, and there are plenty of them. Our colleagues have been presented with our action plan, a plan for political and economic reforms.

I also raised the question of the choice we have made. By reforming our Union's political system and by reforming ownership relations we want to produce a powerful stimulus for the development of our people's political, democratic, economic, and social activeness. We want to get away from the straitjacket situation connected with the dominance of the administrative-edict system and the total dominance of state ownership and breathe life into society. This we will do, because we have to.

But we are sure, we are convinced that we all need new thinking in foreign policy and cooperation on the basis of meeting one another half way. This will be a vital contribution to stabilization and to the further enhancement of the positive processes that are taking place in the world. This is our credo, this is the essential point I am making.

We are now in a difficult situation. We are trying to extricate ourselves from it, will continue to try, and doubtless will succeed, whether we have help or not—that is not the issue. Nor is assistance the issue, the issue is the new nature, the new quality of cooperation, when we are an integral part of the world economy.

These are what I sought to justify, and I am very grateful for the great interest and attention that was shown toward my speech, which was open, frank, and honest.

[Unidentified reporter] Obviously not everyone was satisfied with the initial reform proposals submitted by Mr. Gorbachev. Did he bring anything new? A question for the prime minister: Have you heard anything today to convince you that the reforms will really work?

[Major] None of our problems were resolved today, but none of us were expecting them to be resolved. If we expected anything, it was that we would begin the dialogue process, that we would decide on an acceptable path that we can follow. The reforms taking place in the Soviet Union are enormous. But today we are satisfied with the intensity and orientation of the reforms taking place in the Soviet Union and the need to supplement them with constant dialogue.

[Gorbachev] I have almost nothing to add to what Mr. Major has said. I only wish to note that we were satisfied that the president came here not only with his own opinion, but with an opinion that had been agreed with by all the leaders of the republics and leaders of governments.

[Unidentified reporter] Can it be said that London is paving the way for fundamentally new East-West relations?

[Major] Yes. I think this is a new start, and I think it is a valuable start.

[Gorbachev] Yes, I share that view, the London meeting has paved the way for a new period of cooperation.

[Unidentified reporter] Here in London, it was the first time for both of you, for different reasons, as participants in the G-7 meeting. And both of you, for different reasons, were at the center of the event. How do you see this "seven plus one" process, its future? How, for instance, do you see relations between the seven industrial countries and the Soviet Union in two, three, or maybe five years?

[Gorbachev] Let me begin by saying that Mr. Major and I have met before. There was his visit to us, and we quickly understood each other on the main questions and started a very active dialogue. So this process was already under way, the ice had broken, as we say in our country.

[Major] When we invited Mr. Gorbachev to join us at the G-7 meeting, naturally we expected the meeting to play a certain part in deepening and continuing the process in the coming years. Naturally we did not think it would be an isolated occurrence. One way or another we will continue to widen and deepen the close relationship that has existed between the West, the civilized countries, and the Soviet Union in recent years. We take a great interest in the changes that have taken place in the Soviet Union in recent years, and we admire, we greatly admire, the way these changes have been implemented.

[Unidentified reporter] Do you agree that if the Soviet Union is to become an integral part of the world economy, sooner or later there will have to be a large-scale influx of funds from the G-7 countries into the Soviet Union?

[Major] There is much work that lies ahead. Considerable assistance and support for the Soviet economy in coming years will, we hope, take its natural course, thanks to private investments which will be stimulated by the reforms now taking place in the Soviet Union.

[Gorbachev] I would like to add: The USSR is a huge, promising market with enormous potential, and to a great extent still waiting to be opened up. Also, if the barriers I have mentioned are lifted, large-scale projects could get under way immediately in the spheres of power generation, transport, food, petrochemicals, and many other spheres, and these projects are worth many billions. This, of course, is mutually beneficial. This process will proceed even more successfully if we do not delay resolving that very important, cardinal problem, the convertibility of the ruble. This problem was discussed today, and there is mutual understanding—this problem must be tackled.

Outcome of G-7 Meeting Pondered

PM1907143791 Moscow ROSSIYSKAYA GAZETA in Russian 19 Jul 91 p 1

[Aleksandr Golts "Commentary": "Meeting With the 'G-7': No Sensations Yet"]

[Text] There is no doubt about it, this week has been one of the highest spots in international activeness this year. Of course, what I primarily have in mind is the London meeting of the leaders of the seven most developed countries in the world.

In all fairness, let me note: Even before 17 July, our country was allotted a significant place on the G-7 agenda. In the sense that, during virtually the entire first half of the 1980's, the meeting's participants were deciding what means to use—whether economic sanctions or the deployment of Pershings and space-based weapons—to counteract the "Soviet military threat." In the second half of the last decade they were already pondering the complex question of how the transformations taking place in the Soviet Union might turn out. But now the situation required M. Gorbachev's participation.

No, nothing sensational happened in London: There was no talk there of global financial support for the USSR. There was only talk of the need to promote the further advance of political and economic transformations and the process of democratization in the USSR. Proceeding on this basis, the G-7 discussed the possibility of expanding the transmission of advanced technology and transmitting more of their experience of transition to the market. I suspect that this is the maximum the West can do in the present situation.

However, let us ask ourselves the following question: Could the Soviet president have achieved a more energetic start to the process of integrating the USSR in the world economy? I think that he could have. But the point here is not whether the concept with which he arrived in the British capital was good or bad. Practical people—and this is exactly what the G-7 leaders are—find it very difficult to promote the financing of a concept rather than of processes that actually are taking place. But if that is the case, Gorbachev came to the conference too early.

Yet the president's mission did yield a specific result. After all, as far as we can understand, he presented his interlocutors with more than just conceptual reasoning on ways to switch to the market and to protect all forms of ownership. The attention of the G-7 was drawn to the specific spheres where cooperation could bring mutual benefit. This meant both the conversion of the defense industry and the modernization of the power engineering complex.

It is of particular significance that this program has received the approval of the leaders of nine Union republics. The West saw this as the first sign of long-awaited stability in the USSR, without which any expansion of economic cooperation with us seemed impossible. And FRG Foreign Minister H.-D. Genscher emphasized that consensus between forces in the USSR that are advocate reforms both on a Union level and within the republics is the most important thing. "Against this background," the minister noted, "the handshake between Gorbachev and Yeltsin after the latter was sworn in as Russian president is a significant contribution to the success of the London meeting."

On the whole, the G-7 and M. Gorbachev took limited, but nevertheless tangible, steps to accommodate one another. It is being reported, for example, that active work is being done on the idea to create a permanent forum of economic representatives of the G-7, which would examine problems arising in connection with the specific implementation of reforms in the USSR.

It is impossible not to notice that only mutual economic interest can produce significant results. The famous U.S. Sovietologist M. Mandelbaum recently wrote somewhat ironically about the delusion of some people in our country who believe that "apparently a torrent of investments will flood into the USSR at G. Bush's instructions." These people, the Sovietologist believes, "cannot understand that capitalists, as Marx wrote, are not very sensitive people. They are more interested in profit than in gaining the favor of the Soviet and U.S. presidents. And foreign corporations will not be in a hurry to invest in the USSR's economy until a fully fledged market is created."

Does this mean that there are no serious incentives for cooperation with the USSR for the Western industrial countries? Of course it does not. The only point is that at the moment these are not in the sphere of economics. It was no accident that USSR Foreign Minister A. Bessmertnykh and Chief of General Staff General M. Moiseyev traveled to Washington for talks with Secretary of State J. Baker just before the London meeting at the request of U.S. President G. Bush. Endowed with the necessary powers, they worked with unprecedented efficiency in the U.S. capital. Solutions were found to two complex problems that were impeding the conclusion of the treaty on the reduction of strategic offensive arms. It seems that the only remaining obstacle may be eliminated in the next few days. This will open up the possibility of holding a Soviet-U.S. summit this month. It is also no accident that the conversation between Gorbachev and Bush in London addressed military problems to a great extent.

Whether we like it or not, the real main incentive for the West as regards the Union is to promote the reduction of Soviet arsenals. Until very recently, our current partners were afraid of the "Soviet military threat." Today the West is equally afraid of the uncontrollable development of events in a country that has a good half of the world's stockpiles of nuclear death at its disposal.

This is not especially pleasant to write about, or even to think about. Furthermore, it sickens me that the threat which our internal crisis may present to the rest of the world, is used as an argument at talks. And indeed, it is altogether humiliating that a country's weight in world affairs should be determined by the quantity of warheads. But emotions do not change the essence of the matter: Security is today virtually the only sphere where we can come across as a responsible and—most importantly—an equal partner to the West. That is how it will be while the disarmament process is going on. And the whole question is, will we have enough missiles to cut back? That is, will we manage to integrate ourselves in the world economy during the period of reduction, while we are still of interest to other states? And to integrate ourselves in such a way that it is not military strength, but other factors that guarantee security and are a means of ensuring our national interests?

Shcherbakov 'Optimistic' After London Summit

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[Interview with V. Shcherbakov, USSR first deputy prime minister, by IZVESTIYA correspondents A. Druzenko and A. Krivopalov in London; first paragraph is introduction; date not specified: "'Seven Plus One': We Chose the Right Path. They Support Us. Conversation With V. Shcherbakov, USSR First Deputy Prime Minister"]

[Text] On the eve of the Soviet delegation's departure for home IZVESTIYA's special correspondents asked V. Shcherbakov, USSR first deputy prime minister, to comment on the results of the talks in the British capital.

[Shcherbakov] Coming to London we had no intention of raising questions of aid in the form of credits, goods, etc. We had a different aim. It was a question of a major strategic formulation of the question without which all other problems—problems that are very acute and painful, but relatively unique [chastnyy]—cannot be resolved. We therefore said that both the present economic world, not to mention the political world, and present world economic ties are inconceivable without the USSR's participation. The Soviet Union has now matured to join these ties. We cannot develop normally without these ties just as the world cannot develop without us. There you have, as a matter of fact, the global formulation of the question from which everything else stemmed.

In this situation what role is played by the G-7, who represent the most developed and influential countries that determine the political and economic climate worldwide? I will not delve into the political sphere since I am not a specialist in that field; I will dwell on economic problems. The country set itself the goal of proving to the G-7 leaders that the question of whether or not the USSR

stays afloat in the stormy seas of a market economy does concern us. It is a question facing the entire world.

Note: As soon as a slump began in our country, our economic relations with all countries began to decline—by 30 percent, and in some cases by 50 percent—in the first half-year. In effect, all trading operations were cut back and imports dropped sharply, while in the West too quite a lot of firms have fallen on hard times.

Second, we have quite large debts due to the deterioration of our hard-currency situation, and therefore many firms have found themselves on the brink of bankruptcy. We cut back our business relations with East Europe quite considerably. The result being that unemployment reared its head there in many cases. A policy of citing production forces on the basis of specialization and production-sharing was pursued within the CEMA framework. They have a vast quantity of capacities that worked for us alone. As soon as our ties were severed, these enterprises found themselves in a critical position. The Western world is now forced to help out East Europe because the "echo" of this trouble is still reverberating in its direction. The upshot is that the former CEMA countries have dealt the Western economy a very grave blow. We demonstrated all this in specific terms with facts and figures.

That is one side of the coin. The other is the fact that the economic slump has had grave consequences for our country. As I have already said, this was compounded by problems of hard currency.

[IZVESTIYA] Do you think that there may be complaints about economic blackmail, if we may use that expression?

[Shcherbakov] No, there is no hint of blackmail. We simply presented an objective picture. Here's our country, things are very bad indeed, we're having a hard time. But you too have difficulties. So, when you're working out your strategy as regards the USSR, bear in mind that we're all pulling in the same direction.

There have, indeed, been highly significant changes in our country, but the Western world does not seem to have responded to them. For instance, most of our enterprises are now being transferred to a commercial mode of operation, at least in the sphere of import-export operations. We have fairly large foreign debts, 25 percent of which are guaranteed by the state. We have never failed to meet our payments here. As for commercial credits (our enterprises have entered into direct relations with Western firms), the scenario often looks like this: They take goods but have nothing with which to pay for them. As a result our foreign partners run into the threat of bankruptcy. The West complains to us, but we say: What has the state got to do with this? If, for instance, a French firm is in debt to a British, Australian, or American firm, is the government answerable for that? No. When foreign companies trade on the Soviet market, we naturally check out their viability—via banks and insurance companies—and compile reports as to their creditworthiness and so on. When you work with our companies, we told our partners, you too should mind with whom you are dealing. Therefore, having demonstrated this connection, we raised the question of the need to discuss this situation together. After all, a recession is also manifesting itself in the Western world. It is clearly visible in the United States, for example. Usually around 500 firms declare themselves bankrupt there each day, whereas this figure is now 800-900 or more. There is a direct connection here: If we owe money to a British firm, that may affect the work of a U.S firm and vice versa. That is, we are aggravating the difficulties. Therefore we suggest: Let's sit down and investigate what's what and formulate a policy for qualitatively new cooperation.

Here is another important aspect: It is impossible for our country to be included in the world economic process without its joining international economic organizations—the IMF, the European Bank for Reconstruction and Development, etc. And the political decision that Gorbachev secured is very important here. It is virtually impossible to join these organizations without it. Take the IMF, for instance, it comprises more than 150 states: Can one reach agreement with them in a single day? Even if some have only 1 or 2 percent, they still have a vote! So, agreement first has to be reached with the controlling members who are capable of passing this decision. This decision exists in practice now and, what is more, it is beginning to be implemented. We agreed to join these international organizations. At first, as far as the IMF is concerned, as an associate member and then as a full-fledged member. Of course, this is a lengthy process.

[IZVESTIYA] How long will it take?

[Shcherbakov] It's hard to say now. At any rate the G-7 said that they will reduce this procedure as much as possible. We met with the finance ministers in particular and had a fairly lengthy discussion of this problem. Everything indicates that the requisite decision could be secured within six months.

[IZVESTIYA] So, it's a matter of months?...

[Shcherbakov] Yes, we were promised that they would decide on our associate membership of the IMF within six weeks and full membership within roughly six months. During the initial phase (at least that was what was said) they reckon that it would be possible to maintain high pro forma status for us within this organization. That is, we have no right to vote in it, no dues to pay, and it is not even clear how much these are to be or which countries have to sacrifice some of their quota. This is once again a lengthy process; however, we will be able to take part in their projects and—this is the main thing— they will be able to take part in ours. This is terribly important given the prestige of these organizations. We have conducted our own analysis, which shows that if we receive $1 from the World Bank in the form of investments, it will bring with it $10 in the form of

private capital. Private capital analyzes the situation equally attentively and is unwilling to take risks. When it sees the World Bank embark on something, that means that everything has been checked out and calculated and that some guarantees exist. Hence the ratio of 1:10—and that's a lot when vast sums are coming into play.

[IZVESTIYA] What else can you say about the G-7's attitude to our proposals?

[Shcherbakov] I took part in many meetings and talks in London and virtually none of the G-7 heads of state and government or their ministers—and I had personal conversations with many of them—none, I repeat, said that the program that Gorbachev set out and that we have explained over and over here needs to be radicalized. On the contrary, the Germans and the French, for instance, said they consider our plans overoptimistic and that we should take things more steadily: "There will be far more difficulties than you expect, so don't jump the gun; act cautiously."

The most important thing is the stabilization of the country's balance of payments, including ruble convertibility, privatization, and a power generation program—it is not merely a question of power engineering but of restoring our export potential and base sectors. Our partners intend to support our program for the agrarian-industrial complex too. The amount of aid was not stipulated; that was not the purpose of the talks because it was above all, I repeat, a question of a political decision.

[IZVESTIYA] What about the future?

[Shcherbakov] We had a more objective discussion at finance minister level. A mechanism for future cooperation was decided on. In addition to our joining international economic organizations the G-7 confirmed that they will provide aid bilaterally and under the "seven plus one" formula. The finance ministers will first study the situation and then, as agreed, meet together in order to determine what kind of aid and how much aid to provide, the mechanism for it, and the forms this will take. Then there are the international organizations: We will then square this entire program with the mechanism for its implementation and with more specific programs. British Chancellor of the Exchequer N. Lamont has been tasked with coordinating this work. We have just held talks with him, and he said that he would come to Moscow at the end of July. It is a question of our deciding with him in literally a week what questions should be put forward for discussion and our agreeing on further work; and there will, evidently, be a general meeting of the finance ministers in September.

[IZVESTIYA] Then at last specific figures will be discussed?

[Shcherbakov] Of course. That is why the G-7 talks are very important. The results proved more significant than I personally imagined. Undoubtedly, there is still a host of vague issues; we will continue to hold discussions with our partners. The main thing is that the mood has changed. Before this our discussions were different. It was all reminiscent of our going to start a race without being told about the track or the conditions and hearing comments like: You've put on the wrong track shoes, your shirts are the wrong color, and so on. This time the discussion was businesslike and specific. The West clearly defined its position. There will be countersteps.

[IZVESTIYA] What practical tasks now face us at home following the G-7 session?

[Shcherbakov] The main question, irrespective of the London meetings, is the financial situation in the country. Our negotiating partners told us: With that kind of money circulation you won't receive capital, whatever the entire G-7 does.

[IZVESTIYA] Did they employ the image of the "bottomless pit"?

[Shcherbakov] That's not all. You're on the verge of hyperinflation, we heard from them. The steps toward financial recovery that you have hitherto taken are inadequate. If you don't take tough decisions, you'll have galloping inflation and only a madman would then provide you with money. That is not happening. So, everyone told the Soviet president: You have to begin financial recovery immediately. We have a program and we discussed it with the G-7; it is now a matter of putting it into effect.

The second question is of course internal ruble convertibility. Without that we cannot join in international ties.

[IZVESTIYA] The date 1 January 1992 was mentioned.

[Shcherbakov] We said that we are planning on that date, but the situation is still fairly complex. Quite clearly, this problem cannot be settled in practice without a stabilization fund.

Nevertheless I remain optimistic. It is not a matter of the West's being able to help us out. I look at it not from that viewpoint, but from a different viewpoint. The course of the debate in London attests that we have chosen the right path. And they will support us in it. Needless to say, no one is about to cover that path for us. We must do it on our own two feet.

Bogomolov on G-7 Summit, Western Aid

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[Panel discussion on recent G-7 economic summit in London hosted by moderator Paul Lendvai in Vienna with participants Horst Teltschik, manager of the Bertelsmann Foundation; Daniel Vernet, editor in chief of LE MONDE; University Professor Curt Gasteyger from Geneva; and Oleg T. Bogomolov, deputy of the Congress of People's Deputies, director of the Moscow Institute for International Economy and Politics, and adviser to Boris Yeltsin—live]

[Excerpts] [passage omitted] [Lendvai] Mr. Bogomolov, the Soviet press commented on the G-7 summit and particularly on Gorbachev's trip to London during the past few days. Let me quote two or three sentences. PRAVDA wrote that a dream is a dream and life is life. TRUD stressed that the ice is melting. KOMSOMOLSKAYA PRAVDA, the youth magazine, stated ironically that Gorbachev's trip was successful because he received no money. MOSKOVSKI KOMSOMOLETS, a new youth magazine in Moscow, stated that the Soviet government received advice. How do you see this meeting from the Soviet viewpoint, or from Gorbachev's viewpoint?

[Bogomolov] The commentaries are very contradictory. I believe that we must assess the results of the G-7 meeting in a very calm way. For those who expected new loans and investment from the West this trip was naturally not successful. Gorbachev himself gave rise to such hopes. He spoke of a possible $100 billion in assistance, and his adviser Primakov spoke of $250 billion. Yeltsin was more modest, he mentioned $30 billion. However, Gorbachev soon realized that money is not the most important thing, but that the Soviet Union must be integrated into the world economy. From this standpoint, one cannot say that he returned with empty hands. However, the press complained that Gorbachev did not achieve enough in London. Yesterday I saw a very clever cartoon in SUEDDEUTSCHE ZEITUNG. It shows Gorbachev returning home in torn clothes, without shoes, and holding balloons that children like to carry. There was an inscription on every balloon: START, World Bank, technical aid. Of course this is very clever, but far from reality.

[Lendvai] Is it right that you assess the summit in a rather friendly way, despite the fact that you support Yeltsin?

[Bogomolov] Friendly is not the right word. I consider two results very significant: First, the West has realized that the events in our country have become very dangerous for the West. It cannot stand by and watch these events indifferently. The West must influence developments. Second, the hopeless economic situation of our country has prompted Gorbachev to declare his willingness to accept Western proposals and to use Western concepts for economic policies. [passage omitted]

[Lendvai] Mr. Vernet has just expressed skepticism as to whether Gorbachev will be able to carry out his reforms. Mr. Bogomolov, you were dissatisfied with politics in the past. I think you left the CPSU, you no longer support Gorbachev and now support Yeltsin. What can one do now?

[Bogomolov] Maybe not a great deal. The situation is very hopeless—both economically and politically. The only hope is the agreement between the center, the military-industrial complex and the KGB, and the republics. However, the agreement that has already been achieved is very unstable in my view. Gorbachev is now trying to get new loans for this agreement. Fortunately, he did not receive any. The problem continues to be how the power and the property will be distributed between the republics and the center.

[Lendvai] Do you believe that this is the key question?
[Bogomolov] Yes, it is.

[Lendvai] There has been a great deal of talk about the conversion of the arms industry to the production of civilian goods. Gorbachev mentioned 300 or 400 factories. We have heard this number several times in the past few years. Is it true that nearly one-quarter or 20 percent of the gross national product is still spent on weapons, on aid for Cuba, and so on? Would it not be possible to do something in this area, or does everything depend on the relationship between the center and the republics in this area as well?
[Bogomolov] It is a question of the power structure. The democratic forces insist on a very drastic reduction of military expenditure. However, there is, of course, resistance. Social, national, and other contradictions make things very difficult. [passage omitted]

[Lendvai] The West still views Gorbachev as the best ally as it were. Is this useful in connection with efforts to reduce the danger of the military complex and the danger of confrontation? [passage omitted]
[Bogomolov] I believe that the West has no clear concept for helping the Soviet Union. In what way can the West provide aid and how should it help? What is the main idea—supporting the process of democratization or maintaining state unity? What is the main task of Western policy?

[Lendvai] Winning the elections, I believe, if one wants to be cynical.
[Bogomolov] I believe that the West should not only talk with Gorbachev but also with the republics.

[Teltschik] Mr. Bogomolov, for this reason we demand that the union treaty finally create the required framework.
[Bogomolov] The union treaty does not exist. There is only a draft. And we are not sure whether this draft will be signed. [passage omitted]

[Teltschik] Mr. Bogomolov, who can stop military production? Can Gorbachev do that, or can Yeltsin order a stop of military production in the Russian republic?
[Bogomolov] Gorbachev alone cannot decide that. He probably is a hostage of the military-industrial complex and of the party apparatus. I believe that these forces influence Gorbachev's behavior. This works the other way around, too. These forces need Gorbachev as their representative. Yeltsin alone cannot decide this either.

[Lendvai] What will happen now? We are on the eve of a CPSU Central Committee session. Strong criticism of Gorbachev has come from the Moscow party leader and from the party apparatus. This means, if I understand you correctly, that the reformers or liberals want to urge Gorbachev to tackle the reforms. And the West should exert pressure, as you demanded. At the same time, Gorbachev is a hostage of the KGB and the apparatus.

you stated. Will he continue to maneuver between two or more groups to survive? What will happen in the spheres of economy and politics?
[Bogomolov] I believe that he will continue to maneuver between the different forces. I think that the party should be split at this point. The reform-minded wing should be separated from the rest of the party. I interpret recent efforts by Shevardnadze and Yakovlev in this way. [passage omitted]

[Lendvai] Mr. Bogomolov, what you have just stated, and what a young economist who is currently in London and not in the Soviet Union —I do not want to mention any names—stated at a conference, addressing Western representatives, including former heads of government—of France and the FRG, for example—and asking them to tell the Soviet Union what it should do—can this be realized...
[Bogomolov, interrupting] This is not possible. However, a prophet is not without honor, save in his own country. To influence our policy, we sometimes turn to Western experts and ask them to interfere. The Harvard-Yavlinskiy program is a good example. I would not say that this program is good. However, it was an attempt to draft a program to restructure our society.

[Lendvai] However, the young author of the program did not accompany Gorbachev to London.
[Bogomolov] This program proceeded from the assumption that the West is willing to provide massive and coordinated help to the Soviet Union. This was an incorrect assumption.

[Lendvai] Mr. Bogomolov, you were against the Soviet invasion of Afghanistan. You rejected this move as an adviser. You were closely linked with Andropov for a certain period. On the one hand the leaders do not listen to their own advisers, but on the other Mr. Teltschik cannot say things with such open brutality as you might be able to say them. Is there a way out of this situation?
[Bogomolov] We suffer from incompetence. We need more competent leaders. They cannot accept and understand good advice. This is our tragedy. I have addressed several papers to Gorbachev and other government members, but without success. Maybe I was not always right, and my proposals may not always have been good enough. However, I never got a reaction. It is like in a family. The husband asks his wife for advice, and then he does the opposite. [passage omitted]

[Teltschik] Let us hope that Gorbachev will fulfill his promises and start with the radical reforms. The West, including the United States and Japan, will hopefully provide support. However, who can guarantee that Gorbachev will be in a position—despite his good intentions—to realize the reforms? If I take a look at this year's economic dates for the Soviet Union, I believe that he is facing he most difficult phase of his term of office. Everything may become very chaotic. The question is what the republics will do if the union treaty, which does not yet exist, does not come about, as Mr. Bogomolov hinted. Will the republics be in a position to carry out the reform program that the central government does not succeed in implementing, so that Western help...
[Bogomolov, interrupting] This is quite possible. Why does the West concentrate its help only on the central government, on Gorbachev? If you would like to promote the reform process, just inform yourself about where the reforms are most advanced—in the Baltic republics, for example, or in Russia. If you help Russia, you may also help the Soviet Union to advance the reforms.

[Teltschik] I do not deny that the Russian republic is carrying out political reforms. The democratic election of the president testifies to this. However, is this also true in the economic sphere? Is the Russian republic really taking measures to introduce the market economy?
[Bogomolov] Yes, it is. However, Russia alone cannot carry out many reforms.

[Teltschik] This is the decisive point.
[Bogomolov] Yes, this is the decisive point. Russia needs the support of the center.

[Lendvai] This is a vicious circle.
[Bogomolov] The first step, for example, is the reorganization of the monetary system in our country. Russia alone cannot do that.

[Vernet] The question is whether the political preconditions have been created to implement the reform policy.
[Bogomolov] They have not yet been created.

[Lendvai] This means that we are witnessing a race against time. How do you assess the economic development?
[Bogomolov] There is no time left. [passage omitted]

[Lendvai] Mr. Bogomolov, you had difficulties at the time with your statement about Hungary's neutrality, which you revised later. However, you mentioned it at the time. How do you see this today? In an alliance treaty with Romania, for example, the Soviet Union included strange stipulations, such as the obligation of consultations, etcetera.
[Bogomolov] I believe that we must understand that the East and Central European states feel insecure because the situation in the Soviet Union is unstable. They need something...

[Lendvai] Do they need an alliance, or support, or guarantees?
[Bogomolov] They need support, and they must have the right to join Western alliances.

[Lendvai] Does this mean that they should also be entitled to join NATO if they want to.
[Bogomolov] Yes, if NATO accepts them. Russia might do that as well in the future. However, the contents of NATO will have changed by this time.

[Vernet] One could also say that NATO will no longer exist by that time.

[Bogomolov] Not in the present form. [passage omitted]

Primakov Interviewed on Results of G-7 Meetings

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[From the "Vremya" newscast]

[Text] The world public is continuing to discuss the results of the meeting in London of the G-7 leaders with the president of the USSR.

[Begin recording] [Reporter Shishkovskiy] Yevgeniy Maksimovich, could you say a few words please about the London summit, about Mikhail Sergeyevich's meeting with the G-7 leaders?

[Primakov] I would begin by speaking about what we came here with, because some in our media and abroad have created the impression that we would come here with our hand outstretched to beg for something. If one proceeds from that premise, then perhaps some will say that nothing was achieved. That is nonsense, because that is not why we came. Mikhail Sergeyevich spoke about that from the very outset. Others said that perhaps something would be decided at the level of ministers and other questions would be decided at the level of experts. But this was a meeting with the heads of state, who discussed thoroughly the fundamental situation connected with the fact that we are moving toward the market, and if we are moving toward the market, we cannot get there on the basis of autarky. We must be organically a part of the world economy and be integrated into the world economy. Under these conditions the West is lending support, and not just politically. The process of actively supporting the Soviet Union is beginning. A distinctive mechanism has been elaborated for that. That is what happened here. I have to say at the same time that when addressing the G-7, Mikhail Sergeyevich said outright that we have our own traditions.

We are taking our own road. We are proceeding with due account of our interests, with due account of our history, with due account of our psychological mindset. But we are proceeding in the correct, civilized direction, and they have felt this here. I would also like to say that the atmosphere was as benevolent as it could be, as frank, I would say, as it could be, and there was no feeling of confrontation. I would also like to say for those who go in for sensation, which we unfortunately still have, that there was not a word of criticism voiced against our proposals—or rather, our explanations—about our movement. It was totally clear that there was not a word about all of the conjectures, speculation, and conversation that the West was noting that we were not acting sufficiently radically. There was satisfaction because we are setting out our blueprint, and we are setting it out frankly, and we are setting it out independently of everyone, but the West clearly knows in which direction we are going. [end recording]

Observer on Expectations From G-7 Meeting

LD1907153991 Moscow TASS in English 1438 GMT 19 Jul 91

[By world service observer Vladimir Isachenkov]

[Text] Moscow July 19 TASS—President Mikhail Gorbachev's historic meeting with the G-7 leaders in London has moved the Soviet Union onto the road of integration in the world economy.

No miracle occurred during the meeting. Gorbachev neither asked for direct financial assistance from participants in the summit, nor did they offer it. The meeting ended with the G-7's promises to render technical assistance to Soviet reforms and begin elaborating a mechanism for further interaction. This was what practically all observers expected from the meeting.

Disappointment could be felt from some comments on the meeting. I believe that it is connected first and foremost with the fact that over the past months, the world press has been flooded with deliberations about the expediency of a new "Marshall Plan" of rendering financial aid worth hundreds of billions rubles to the Soviet Union.

A programme elaborated by Grigoriy Yavlinskiy's group and U.S. scholars in Harvard aroused great expectations and interest in the Soviet Union. Although the authors tried to avoid mentioning specific sums of money, they did not conceal the fact that considerable aid would be needed to implement it.

The programme outlined assistance in achieving convertibility of the ruble, liberalisation of prices and military conversion as specific directions for reforms. Despite the obvious opposition to and criticism of each other's programmes, Yavlinskiy and Soviet Prime Minister Valentin Pavlov asked the same things from the West.

In June, criticising Yavlinskiy's programme as academic, Pavlov mentioned practically the same areas for desired Western aid.

Vice Premier Vladimir Shcherbakov, who was a member of the Soviet delegation, said in London that it will take 10-12 billion U.S. dollars for the Soviet Union to create a reserve fund to prevent a sharp decline in the ruble rate after it becomes convertible on the domestic market.

Gorbachev told the final news conferunce that understanding has been reached with the G-7 regarding its help in making the ruble convertible.

Nevertheless, the G-7 has not given consent to finance the reserve fund. The limit on credits by the European Bank for Reconstruction and Development (EBRD) to the Soviet Union has not been removed. The Soviet Union can only receive money amounting to its share in the bank charter capital.

The Soviet Union clearly expressed its interest in removing the limit. EBRD President Jacques Attali did not object to this, but the United States, the largest individual contributor to the bank, favoured retaining the limit.

The group also failed to remove Cocom restrictions obstructing normal economic relations between the Soviet Union and the West. All this has led to restrained assessments of the London meeting by some Soviet officials and scholars.

The results of the Soviet president's meeting with the G-7 leaders are impressive and they could hardly be better. The six-point plan proposed by the G-7 is expected to boost interaction and creates an effective mechanism for permanent contacts and consultations.

Although the Soviet Union cannot claim for credits from the International Monetary Fund and the International Bank for Reconstruction and Development, it was given a special status at these organisations, which brings it closer to fully-fledged participation in them.

In addition, examination and technical assistance by IMF experts will considerably increase the Soviet Union's attractiveness for private investors.

The very fact of a meeting between the Soviet president and the G-7 will probably boost Western companies' activity.

Correspondent Views Results of G-7 Summit

LD1907210291 Moscow All-Union Radio First Program and Orbita Networks in Russian 1130 GMT 19 Jul 91

["International Situation—Questions and Answers" program presented by Dmitriy Morozov with London correspondent Aleksandr Malikov]

[Excerpts] [Morozov] Hello, comrades. Life is making its changes to the customary course and make-up of our program. The main event of recent months, Mikhail Sergeyevich Gorbachev's meeting with the leaders of the seven most important industrial countries of the world, ended so recently that your letters with questions about it have, of course, not yet had time to reach us. However, I have no doubt that the results of that meeting, which attracted the attention of commentators and specialists from many countries of the world, cannot fail to interest us, above all, because our future depends on them to a significant degree. Therefore, I shall act as the questioner for a while, and the questions will be answered by our London correspondent, Aleksandr Malikov, who saw all that happened with his own eyes, so to speak. So, what was the main result of the meeting?

[Malikov] You know, one is somehow tempted to use a cliche and say that the G-7 meeting in London has become history. But that would be imprecise, both stylistically and in terms of its meaning, for, as the Soviet president stressed in his statement at 10 Downing Street, history was actually made in London. An event took place which will have an effect on the search of all civilization for future paths. [passage omitted]

As for some points made with regard to our country, I personally detected the completely clear interest of the G-7 leaders in having as a partner a Soviet Union which is not a number of appanage principalities, but a single political and economic organism, inside which there are new, freer ties that will help the whole country to stand on its own feet more quickly. But sometimes the West does not know with whom to do business in our country and how to go about it.

Of course, a significant achievement of the London conference was the removal of the last barriers on the way to the swift conclusion of a treaty reducing strategic arms. The end of July for the summit meeting between the leaders of our countries is also a date for whose emergence the world is in London's debt.

Naturally, the culmination of the events in the British capital came when the Soviet president joined the G-7 leaders at the round table in Lancaster House. They did not manage to smooth all the sharp edges there. Strictly speaking, nobody expected that at the very beginning. Some of the Western powers, led by the United States, took a step toward us, but as though walking on thin ice, afraid of falling into the unknown. Other G-7 countries, primarily Germany, took up a more clearly defined position, a position of readiness not only to share with us expert advice and assistance in power engineering, transportation, and food distribution but also to help in the transfer of material funds. They are continuing to advocate considerable financial injections for Soviet reforms after the conference, saying that it is not sensible to delay the admission of the Soviet Union as a full member of the IMF.

But, whatever the formula denoting the G-7's dialogue with the Soviet Union looks like now, the arithmetic is not the important thing here. Without hastening to add a one to the seven, let me say that a bold first step was taken in London toward the creation of a new type of economic relations. As Mikhail Sergeyevich Gorbachev stressed, the USSR entered into direct contact with the leaders of the most important industrial states. In general, movement toward a new world order began in London.

Our bilateral economic and political dialogue with Britain also started moving. Both the leaders of our two countries expressed hope that the new dialogue will not end with London. There are plans to continue it as soon as the end of the year, when John Major comes to visit us.

So, the G-7 did not just have talks in London and disperse. Everybody understands that the opportunity is opening up for a completely new page, in terms of its spirit and its essence, in cooperation between the Soviet Union and the industrial world, cooperation which will

integrate our state into the club of the world's prosperous and flourishing countries, even if it does not happen rapidly.

Diplomat On Results of G-7 Meeting

OW2207083891 Moscow INTERFAX in English 1830 GMT 19 Jul 91

["Diplomatic Panorma" report by Pyotr Vasilyev: "High-ranking Diplomat on the Results of the Meeting in London"; transmitted via KYODO]

[Text] A high-ranking Soviet diplomat, who wishes to remain anonymous, commented during a telephone call with the DP [Diplomatic Panorama] reporter on the results of the G-7 meeting with President Gorbachev. He said. "The main result is the start of cooperation between the Soviet Union and the Group of Seven; cooperation based on the new partnership built up over the last two years."

Assessing the results of the meeting directly after the event the diplomat said that the decisions constitute "a turning point for the West. Previously countries like Japan and the USA held a very distant position, similar to observers of events in the Soviet Union. They wanted to determine their future relations by the results of our reforms."

He continued, "Now their position seems in line with that of the Western European countries, Italy, France and Germany, who have from the start expressed support for the Soviet reforms regarding a transformation to a market economy."

The Soviet Foreign Ministry's spokesman noted as positive the fact that the countries "agreed to aid market reforms according to the formula suggested by President Gorbachev". That formula, in expert opinion, combines elements of Yavlinskiy's plan and Pavlov's anti-crisis reform, also proposals by the IMF and the World Bank.

The diplomat also stressed that the wish expressed by the great seven to deal with the Soviet Union as a single economic space meets our intentions and interests.

In the present situation Western private companies and banks will be able to build up more pragmatic relations with the Soviet Union discarding the recent policy of "reserved expectation".

The West is already taking part in reforming Soviet economy by consultation and technical assistance. This is what requires, according to the Foreign Ministry's spokesman, our membership in the IMF and the World Bank.

"The next step is talking on ways to realize the G-7's decision to admit the USSR to the two organisations. The West will help us by a theoretical basis for our reforms and rationale for new investments", he explained.

On the convertibility of the ruble seen by the Soviet President as the first priority the diplomat remarked that "the way towards market economy is thorny. It's clear at first the ruble will sharply fall compared to other currencies. We began to feel that even before this year, still more now, as the ruble is being made convertible inside the country".

The diplomat was unable to answer if the govenment would try to curb the exchange rate. He said some measures in that direction are sure to be thoughout.

G-7 Summit Seen as Successful Beginning

LD1907195291 Moscow Radio Moscow World Service in English 1210 GMT 19 Jul 91

[By Anatoliy Potapov]

[Text] Our commentator, Anatoliy Potapov, now evaluates the results of the London meeting between President Gorbachev and the leaders of the Group of Seven. This is what he writes:

I paid attention to the following substantial detail. Even before the meeting with President Gorbachev, the G-7 leaders, as they examined in advance the main points of a statement, worked out a decision of four points for the integration of the Soviet economy into the world economy. The newsmen found out that these decisions could be specified and augmented at the close of the conversations with President Gorbachev.

As it was declared at the press center, the Soviet leader's speech was more meaningful and effective than the already known high points of his letter. The leader of the French president's press service, as he was giving a general impression as he said, called President Gorbachev's speech striking, balanced, and with good arguments. As a result of the exchange of views with him, the four points were increased to six in the G-7 plan. One new point is quite significant as I see it. The Group of Seven will help to develop trade with the Soviet Union and to have it emerge on the world markets. And another thing: the G-7 finance ministers will soon come to Moscow. There will also be a visit here by the current G-7 chairman, British Prime Minister John Major. And that means the dialogue begun in London is certain to be continued.

It is probable that not all the doubts of the G-7 leaders were dispelled about the political and economic instability in the Soviet Union. But I find revealing a statement made by the president of the European Bank for Reconstruction and Development, Jacques Attali. He voiced what I believe were the thoughts of many people currently, and I quote: The stake played in London is the destiny of a stable world.

On the whole, as I see it, the decisions of the G-7 despite some pessimistic forecasts have actually been very weighty. But I wonder about the following: Could the support for the reforms in the USSR have been more

substantial? Judging by their statements, this is exactly what President Mitterrand, Chancellor Kohl, and Prime Minister Andreotti were pressing for. They spoke concretely in particular about a greater quota of the financial credit to the USSR from the European Bank for Reconstruction and Development. The United States and Japan objected to such a decision as well as to some other measures.

Well, I believe that in the present situation probably the maximum of what was possible has been gained. Importantly, the meaningful talks in London have enabled the G-7 leaders to once again delve into the unprecedented Soviet reforms, to feel the need to synchronize actions with the Soviet Union at the currently critical phase in Soviet perestroyka. The talks have helped all the summiteers on the whole to reach a much higher level of trust. As for the other things, this is a matter of time, to my mind, because the meeting in London was only the starting point, only the successful beginning of what may be a difficult and long but highly promising path of cooperation that the world community is now opting for.

Analyst Examines Results of G-7 Meetings

LD1907210191 Moscow TASS in English 1923 GMT 19 Jul 91

[By Sergey Kolesnikov]

[Text] Moscow July 19 TASS—There was no lack of "ideological" comments on the eve and during the meeting in London under the 7 plus 1 formula.

The comments manifest an inclination of many an analyst, both Soviet and foreign, to view the aspiration for the integration of the Soviet economy into the world economy as a final renunciation of the Socialist model of development and a transition to the Capitalist civilisation.

However, isn't such an interpretation of the historic meeting in London too simple?

Before evaluating it, one should apparently come to think over the scale on which changes are now taking place in the very structure of the civilisation and in the minds of people who are abandoning their former confrontational attitudes.

It is the psychology of division that is being overcome, not just political and economic barriers, and there is growing awareness of the fact that we are an integral part of a single civilisation.

Therefore it can be considered one of major results of the London meeting that it provided a new chance for developing the process and securing the tendency.

As Soviet President Mikhail Gorbachev said during the joint news conference with John Major, "in this situation it is very important that no one be tempted to try to somehow utilise this contrary to the interests of the process which, as we expect, will lead us to new international relations."

What "temptations" are there along the way to a new quality of cooperation? First of all, attempts to interpret political and economic reforms in the Soviet Union and the real process of fashioning a multi-party democracy and a market economy as following uncomplainingly this or that tried-and-tested model.

There can be no syncronisation of the pace of the Soviet Union's economy with that of the world economy if it is regarded from the viewpoint that was formed during the years of global confrontation.

It is significant that during the meeting in London the Group of Seven (G-7) leaders were able to change the customary point of view and spoke primarily about the future, not the past.

There is yet one more "temptation" worth mentioning. G-7 leaders rejected the idea of making any political demands whatsoever on the Soviet Union. They only expressed a certain hope (including that concerning the future of the Baltic republics) and made some statements (such as, for example, that G-7 countries welcomed "the efforts to create a new Union based on accord, not on [words indistinct]").

[Words indistinct] through reforming the political and economic spheres to ensure powerful [word indistinct] the development of all-round activity of people, and go away from the command-and-administer system and total domination of state ownership restraining this activity. Let no one be tempted to swerve off this road, the only correct one.

'International Review' Program

LD2107170291

[Editorial report] Moscow All-Union Radio First Program Radio-1 Network in Russian at 1230 GMT on 21 July broadcasts its regular program entitled "The World This Week: International Review." The program is presented in the studio by Yevgeniy Osipovskiy. With Osipovskiy in the studio is political observer Valeriy Kiosa, and on the telephone in London are statio special correspondents Aleksandr Malikov and Andrey Ptashnikov. Reception is fair.

Osipovskiy begins by saying that the program will be entirely devoted to the results of the recent meeting of the G-7 in London, and Gorbachev's meeting with the Western leaders.

Kiosa says that there was much discussion about what program Gorbachev would take to London, how much aid he would ask for, and that in the event a realistic approach predominated. This is followed by a general discussion of Gorbachev's aims during the visit and quoted comments by Gorbachev prior to his visit.

Malikov says: "Well, in general we are always inclined to illusions, it is somehow part of the Russian character. But I would like to say this: that what was present was not so much pessimism on both sides—reciprocal pessimism—but rather a certain indefiniteness. On the eve of the meeting both we and the Seven needed to decide where we stood. It was especially noticeable how the West gradually tried to join together, bring under a common denominator, even on the eve of the meeting, all the states inasmuch as they would not realistically understand and appraise the real extent of the processes within our country, and how deep and radical they were, since even within our country there is no agreement as to how far we should go toward the market at the present stage, how fast we shuld go, and how we should overcome certain barriers and obstacles on that path."

Osipovskiy says that I think we ourselves became confused, and confused the others, in our approaches to the market, that it really has become difficult to sort the situation out. Kiosa says that Gorbachev said at his news conference with Major that the USSR had assured the West that its reforms are irreversible, and that the London meeting laid the foundations of a completely new concept of relations between the Soviet Union and the West. He then asks the London correspondents how the meeting went.

Ptashnikov says the meeting really only lasted one day. Gorbachev's meeting with Bush was perhaps decisive. "I think that to an enormous extent it predetermined the course of the actual conference of the seven," he stresses. He adds that it dealt with the signing of a strategic offensive arms treaty, negotiations on which have gone on for nearly 9 years. At last agreement has been achieved, Ptashnikov says. Now, he adds, the Soviet Union can save huge financial resources which are much needed. this agreement, reached just three hours before the conference, created a new mood, a new atmosphere.

Kiosa says that the arms agreement also enables the West to realize the necessary resources in order to give us substantial material aid. He notes that Thatcher also said this in her meeting with Gorbachev.

Osipovskiy says the treaty will provide a material guarantee that nucledar war betweenthe USSR and the United States is impossible. "But let us come back to the London meeting and say what the points are on which interaction has been achieved," Osipovskiy says.

Ptashnikov says: "As you know, these points emerged during the joint news conference by British Prime Minister Major and USSR President Gorbachev. Let us put it this way: there are six basic directions for further cooperation between the big seven and the Soviet Union; so, what are these six points? First, Soviet cooperation with the International Monetary Fund and the World Bank. Second, a broadening out of cooperation with the European Bank for Reconstruction and Development, and also with the Organization for European Cooperation and Development. Third the expansion of technical assistance for the USSR in the sphere of conversion, nuclear security, transport, and probably what is at present of most significance to us—the resolving of food provision problems. Fourth, an increase in the volume of trade, then a continuation of the practice of meetings like the London one—that is to say, now the formula for meetings is changing. Previously it consistently involved seven—a meeting of the big seven. Now it will be seven plus one. Finally, sixth [as heard] is the visit to Moscow this year by British Prime Minister Major, and this month the British chancellor is also to come to the Soviet Union."

Kiosa then says that the London approach was very sensible—no magic solution to the problems of the Soviet Union, but no outright rejection of the idea of giving assistance. He adds: "In my view, as regards these six points, the most important thing is that we are preparing, along with the leading countries of the West, to move from ordinary trade relations to real economic cooperation." He says that previous relations shows a lack of Soviet concern about the impression they may make on their Western trade partners. The Soviet Union's entry into international financial organizations is important as they afford access to world financial experience. "As regards the upcoming talks between the ministers of finance and economics and their Soviet colleagues in Moscow, this is very important because this is laying the foundations for a new mechanism for cooperation between the seven and the Soviet Union, not at the highest level but at a normal working level of cooperation at which it is possible to sit down normally to tackle many problems. As regards technical aid in areas like conversion, foodstuffs, nuclear security, and transport, then the importance of this aid to us is enormous. We are all very well aware that in spite of the programs worked out for the conversion of the defense industry in the Soviet Union, to date this process is, let us be frank, making little progress," Kiosa adds. He continues: "Incidentally, as you were saying Andrey [Ptashnikov], the upcoming signing of the treaty on strategic offensive weapons will of course give us additional financial means and with the aid of consultation with Western specialists who have quite a well-grounded experience in the conversion of various enterprises, we will probably be able to progress more quickly in this area,"

Ptashnikov interrupts to stress the point emphasized in London, that a great deal depends on the Soviet Union itself. Whatever assistance is received will be useless unless the Soviet Union helps itself. He quotes Major on the fact that the G-7 countries have agreed to cooperate with the USSR, but the right climate for change needs to exist in the USSR.

Kiosa agrees. He adds: "Here I would like to emphasize two very important points: First, as regards aid—I think that once again in our country we have many illusions about this. The point here is not some sort of charity, some sort of free assistance; the point is normal economic cooperation which takes account of both our

interests, and the interests of our Western partners. First and foremost, no one is going to work because of purely altruistic motives.

"Second, the main thing about our cooperation with the West at the present time, and the most important thing in the future is what is to happen in our country—just this. Are we able to reach agreement? Most importantly, if we succeed in reaching agreement, will we implement this? For the moment, unfortunately, our most recent experience shows that we are acting in exactly the opposite way. So, will the Soviet Union, the republics, and regions listen to and hear each other and cooperate jointly, or at best will they neutralize, or at worst oppose and torpedo moves by the other side simply because they are our moves rather than their own? This really is the most important point, but we ourselves have to provide the answer to this question. There is simply no choice, otherwise no one will cooperate with us."

Malikov says: "Incidentally Valeriy, at the meeting of the seven in London, the leaders gave a very clear and distinct signal of their interest in cooperating with a united economic organism, with republics united in both the political and economic sense." "I would like to emphasize—and I am in complete agreement with your view—that in order for us to help ourselves, first we need to reach agreement among ourselves that we will be represented at international forums within the new formula of seven plus one, as a united and political organism."

Ptashnikov then reminds his colleagues of western limitations on the development of trade with the USSR where legislation exists that forbids cooperation with the USSR in certain areas. This needs to be abolished, he adds.

Kiosa says that would like to adds a few words. He says: "Yes, there is an interest, but once again we must take into account one point: if we plan to make the transition to normal economic relations, then the relations should not be built by the states between each other, but specific firms and enterprises need to build them. Only in this way will there be any sort of success. If we talk about our cooperation with the IMF and such organizations, then they have capital, plus the private capital—it is not government which has the capital. We have already received fantastic amounts of credit over the past decade, and as is well known, they have evaporated without us even seeing them."

Malikov says: "Incidentally Valeriy, no one in London shut the door on private capital being invested in our country, and it was made fairly clear at the meeting of the seven that please, the Soviet economy is welcome, as if they were calling many companies to invest their money in the USSR."

Kiosa says: "This is the very thing which is of importance because cooperation should be built up with specific enterprises, with private capital, with the international monetary and financial organizations, rather then between governments. This is the most important thing, and we can receive this capital if we create certain conditions for it."

Osipovskiy then announces that the time has come to end the program. He calls on the participants to make their closing comments. All the participants answer on the theme of hope for the seven plus one formula and the chances for economic cooperation.

Commentator Views Baker Peace Efforts

LD2107200191 Moscow Radio Moscow in French 1800 GMT 20 Jul 91

[Commentary by Aleksey Zlatoruwskiy]

[Text] U.S. Secretary of State James Baker is on a visit to the Middle East countries. He has already had talks in Syria and Egypt. According to the plan announced by the head of the state department, on Saturday James Baker has talks in Saudi Arabia and in Jordan, and on Sunday he arrives in Israel to talk not only to the Israeli leaders, but also to a Palestinian delegation.

It is the fifth time recently that the U.S. secretary of state has gone to the Middle East to try to get the Mideast crisis out of impasse, and thereby fulfill the promise made to the partners in the anti-Iraqi coalition, first of all to the Arab countries. It is worth noting that James Baker's previous trips did not bring positive results, and did not get a Middle East settlement moving. There are even worrying indications that the crisis could deteriorate, mainly thanks to the settlement of the Arab territories occupied by Israel in 1967: the West Bank, Gaza Strip, Golan Heights, and East Jerusalem. Jewish settlements have been built there in violation of UN Security Council resolutions, and the demographic make-up modified by means of violence. Nevertheless, this mission by the U.S. secretary of state to the Mideast could turn out more effective than the preceding ones. And this is why: The U.S. initiative to convene a regional conference to get the Arab-Israel conflict out of its deadlock was approved by all the participants in the recent G-7 summit in London. Washington's moves for a political settlement to the Mideast conflict is supported by the Soviet Union. What is particularly important and gives rise to optimism is Syria's agreement, since it is a country that has adopted a stricter position than the other Arab countries on participation in this conference.

The first stage of James Baker's visit, which started in Damascus with talks with Syrian President Hafiz al-Asad, confirmed this theory. At the closing news conference, held after the negotiations between the U.S. secretary of state and the Syrian leaders, James Baker stated that he was glad to tell journalists of Syria's approval of the U.S. initiative to convene a Mideast peace conference in accordance with the ideas set out in United Nations Security Council Resolutions 242 and 338.

We have laid the foundation for subsequent efforts aimed at establishing peace in the area, the U.S. secretary of state stressed.

So why is it that most observers are so cautious in their evaluations of the prospects of James Baker's mission? It is not a secret: until now Israel has not made any constructive move toward approving the American initiative. What is more, in recent talks in Jerusalem with representatives of American Jewish organizations, Yitzhak Shamir, the Israeli prime minister, has reasserted his firm position on the regional conference aimed at settling the Arab-Israeli conflict. In the opinion of the Isreali prime minister, it should be a protocol conference to set in motion separate talks with each Arab country.

In brief, the United States has to make a difficult choice: either to demonstrate firmness when the conference takes place, or be reined in by the current Israeli Government.

So James Baker's fifth visit to the Middle East since the end of the Gulf war will not have positive results.

Churkin Statement on Danish Bridge Plans

PM1907132591 Moscow IZVESTIYA in Russian 18 Jul 91 Union Edition p 4

[By G. Charodeyev: "Why Finland Took Denmark to Court. From Our Correspondent in the USSR Foreign Ministry Press Center"]

[Excerpt] As we know, Finland has initiated proceedings against Denmark in the UN International Court with regard to the construction of a bridge across the Great Belt Strait. The crux of the matter is that the construction of the 65-meter high Danish bridge will restrict passage through the strait for new-style vessels, self-propelled and floating maritime and drilling platforms, and other devices. Speaking at a regular briefing, Vitaliy Churkin, chief of the USSR Foreign Ministry Information Administration, said this about the event:

"The Great Belt is a key international strait linking the Baltic Sea to the Atlantic Ocean. It serves as an artery for international navigation. Unimpeded passage for all vessels and ships through this strait is a norm of international law requiring compliance by all states. The norm of unimpeded passage through international straits is enshrined in an international convention and ordinary maritime law. They are the foundation of the freedom of navigation on the seas and oceans. They do not provide for the right of a coastal state to introduce any kind of restriction on the passage of vessels and ships through international straits and are aimed against the introduction of such restrictions. Naturally, the construction of a bridge which is not a drawbridge and fails to take account of international navigation demands—as the current plans for building the Danish bridge stipulate—will seriously restrict the passage of vessels and devices over 65 meters high."

The briefing's host stressed that the counter argument, to the effect that several coastal Baltic countries were informed about plans for building the bridge beforehand and nobody objected, cannot be a lawful and sufficient basis for a unilateral request or the arbitrary application of a restricted approach to regulating navigation through the Great Belt Strait. To allow this to happen would mean that restrictions on international straits could be established at the whim of one state or a small group of states and not on the request of the entire international community with an interest in navigation development. This does not conform with international law, and instead of reinforcing international law and order it could end up undermining it. [passage omitted]

Belonogov on Undermined Trust in Iraq

OW1907044991 Moscow INTERFAX in English 1200 GMT 18 Jul 91

["Diplomatic Panorama" report by diplomatic correspondent Petr Vasilyev: "Iraq Has Undermined Trust in It by Its Actions"; transmitted via KYODO]

[Text] The meeting in Vienna held by the Council of the International Atomic Energy Agency will be addressed today by its director Blix on the nature of secret nuclear research conducted by Iraq. A decision is expected to be taken as the basis for the resolution of the UN Security Council on the issue.

"Iraq made a blunder by trying to conceal from the world community, from the United Nations and the International Atomic Energy Agency, the programmes of its nuclear research," said the Deputy Foreign Minister Aleksandr Belonogov in an exclusive interview with the IF [INTERFAX] diplomatic correspondemt. "In that way, Iraq only further undermined whatever trust it enjoyed."

The diplomat expressed regret over the secret works for uranium concentration in Iraq. "That was a complete and unpleasant surprise for the Soviet Union," he said, "quite contrary to what Iraq has been telling us."

The admission by the Foreign Minister T. 'Aziz in a letter to the UN Secretary General—went on A. Belonogov—means that Iraq has violated international law and the Treaty on Nonproliferation of Nuclear Arms signed by it.

The Soviet diplomat takes the letter as "a forced step" by Iraq after two groups of UN experts visited it in May and June and found irrefutable evidence that the country is secretly conducting nuclear research.

It's impossible to state exactly, commented the deputy minister, how long Iraq has been doing it.

As to the aims of the programmes, A. Belonogov cautiously suggested "the answer is still ahead." "Baghdad maintains the uranium enrichment was for strictly

peaceful purposes. We can't rule out, though, that it was done for military ends," he remarked.

In the near future—went on Aleksandr Belonogov—the Security Council will return to the issue to pass a resolution based on the conclusions by its expert commission and the International Atomic Energy Agency.

To the question if it was true that Iraq was only two months short of obtaining nuclear weapons, the Deputy Minister replied, "There are other expert opinions, that Iraq was trying to develop nuclear arms, but needed 5 or 7 years to succeed."

Meanwhile, Iraq has pledged to cooperate honestly with the United Nations and the International Atomic Energy Agency and admit experts to any facilities they wish to inspect. "Let's live and see if they are as good as their word. The UN is planning procedure for effective control over Iraq ruling out any evasion", explained the diplomat.

He said that Soviet cooperation with Iraq in nuclear research went on under the eye of the International Atomic Energy Agency which was fully informed of the details. It should be found out now where uranium was coming from for secret programmes. "The Soviet Union has nothing to do with it," he assured.

The next question was it the Soviet Union that is going to block the use of force against Iraq should it transpire that it continues to hamper experts and hide the truth concerning its nuclear research. Aleksandr Belonogov replied that "the use of military force is not on the agenda."

The deputy foreign minister pointed out that Iraq had admitted its nuclear activities. The country is receiving a third group of experts who are freely investigating the case. Besides, reliable guarantees are to follow that Iraq will never again conceal any nuclear developments.

The Soviet official stand—concluded the diplomat—will be reflected in the decisions by the Security Council and the International Atomic Energy Agency.

United States & Canada

Moiseyev Invites Powell To Visit 22-28 July

PM2107140991 Moscow KRASNAYA ZVEZDA in Russian 20 Jul 91 First Edition p 2

[Unattributed report: "Forthcoming Visit"]

[Text] Under an agreement that has been reached, General C. Powell, chairman of the U.S. Joint Chiefs of Staff, will pay an official visit to the Soviet Union 22-28 July at the invitation of Army General M.A. Moiseyev, chief of the USSR Armed Forces General Staff and USSR first deputy defense minister.

General Powell Arrives

LD2207112491 Moscow TASS in English 1106 GMT 22 Jul 91

[By correspondents Oleg Moskovskiy and Vasiliy Titov]

[Text] Moscow July 22 TASS—U.S. Joint Chiefs of Staff Chairman General Colin Powell has expressed hope that his forthcoming talks with Soviet military leaders will serve to promote understanding between the Soviet Union and the United States and global stability.

Powell arrived for a 9-day official visit to Moscow today.

He was welcomed by Chief of Soviet General Staff Army General Mikhail Moiseyev and other officials, including U.S. Ambassador to the Soviet Union Jack Matlock.

Powell will meet Soviet Foreign Minister Aleksandr Bessmertnykh, Defence Minister Dmitriy Yazov and other military leaders. He is also expected to meet President Mikhail Gorbachev.

From Moscow Powell will travel to Siberia and the Far East.

Observer Previews Bush-Gorbachev Summit

PM2207102391 Moscow PRAVDA in Russian 22 Jul 91 Second Edition p 7

["My Opinion" article by Political Observer Gennadiy Vasilyev: "Now It's 'One Plus One'"]

[Text] Mathematical formulas are increasingly becoming established in the political vocabulary. The recent London meeting of leaders of the Western developed capitalist countries, in which for the first time the Soviet head of state took part, became known as "seven plus one." If you follow this rule, you can say that in the very near future there will be yet another important political event—one that can be defined by the formula "one plus one." I am referring to the upcoming meeting between the USSR and U.S. presidents in Moscow, scheduled for the end of July. This news came from London, where the difficult work on the Treaty on the Reduction of Strategic Offensive Arms was completed during the talks between the two countries' presidents.

Geneva (1985), Reykjavik (1986), Washington (1987), Moscow (1988), Malta (1989), Washington (1990), Helsinki (1990)... These are the stages along the road of unfreezing the glaciers of "cold war" and of mankind's advance toward civilized relations. Soon they will be joined by yet another historic milestone—Moscow, July 1991. And I think that the new summit meeting will not be inferior to any of the previous ones in terms of its real results.

The progress toward another top-level Soviet-U.S. meeting was not easy. The meeting was postponed several times. At first the war in the Persian Gulf prevented it. Then preparations were retarded because of disagreements between the sides regarding the interpretation of the Treaty on Conventional Forces in Europe and especially over the preparation of a new large-scale agreement on a 30-percent reduction in strategic offensive weapons. I believe that these disagreements were prompted by both objective and subjective factors. With regard to the latter, I think the difficulties in "shaking down" specific provisions of the disarmament agreements revealed a struggle among the various forces existing in the two countries. We have always noted the existence of such contradictions "on their side." But of course, different people in different departments in our country also have different perceptions of the elements in ensuring national security.

As for the objective factors, they are perfectly clear. The world has never before seen agreements carrying as much weight and practical significance for the real security of the two countries as the draft treaty on the reduction of strategic offensive arms. It relates to the main, most powerful weapons that for decades have ensured for the world quite a firm, albeit potentially suicidal "balance of fear."

Of course, the practice of the new East-West relationship can already show important accords aimed at putting force "in its place" and bringing nearer the day when reason will prevail. There is the Soviet-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, signed in 1987 and now largely fulfilled, and the Treaty on Conventional Forces in Europe, concluded last fall in Paris. Nevertheless, they pale by comparison with the treaty that is to be sealed by the signatures of the USSR and U.S. presidents in Moscow. Because this treaty goes to the very core of the deterrent might of the nuclear jinni.

It is no accident that the process of preparing the draft treaty was so complex and protracted, indeed, you might say agonizing. It lasted nine years, at least five of them productive ones. And even the last round, when foreign ministers and military experts from the two countries met just recently in Washington for an "emphatic effort," showed how difficult it is to find mutually acceptable solutions on aspects of the future agreement that are "technical" but exceptionally important from the viewpoint of the countries' security.

And at long last the lengthy text of the treaty on the reduction of strategic offensive arms has been agreed and the final "hard nuts" have been cracked. The way to Moscow is open. Of course, when people read the 1,000-page text of the draft there will be those who are satisfied and those who are dissatisfied on both sides of the ocean, particularly among specialists. They will calculate who has made concessions to whom, who has won and who has lost. I think that this is the logic of the past, of the time when the strength and influence of states were determined by the megatonnage of thermonuclear death. Today what is coming to the forefront of international politics is something else—the ability of countries and their leaders to find ways of moving toward each other and of acting in the interests of all mankind. And as the acute events of recent months typical of the new period since the end of the "cold war" convince us—the war in the Persian Gulf, the bloody interethnic strife in Yugoslavia—strategic nuclear weapons will in no way be able to be a means of appeasement.

The Soviet-U.S. treaty on strategic offensive arms is the highlight of the program of the upcoming summit. But, of course, this will not be all there is to its full schedule, which will involve both the two countries' presidents and their numerous experts in a round of exchanges of opinions, debates, and plans for the future. As usual, questions of bilateral relations and global and regional problems will be examined in Moscow.

The news of the upcoming Soviet-U.S. meeting came from London. There, at the "seven plus one" meetings, Soviet-U.S. relations, as it were, were dissolved in broader matters—our country's collaboration with the developed capitalist countries and with the whole world.

But nevertheless, we are entitled not only to "single out" Soviet-U.S. relations from the general context of world politics but also to speak of their special importance. It was with the normalization of relations between our two states, with the switch from confrontation to collaboration and cooperation, that the whole world's movement toward new international relations began. And today the regular, businesslike, and constructive dialogue between Moscow and Washington is at the same time the linchpin of East-West relations and the tuning fork from which the multinational orchestra of the world community takes its cue.

Of late it has been impossible not to notice "eddies," so to speak, in the even current of Soviet-U.S. collaboration. These made themselves felt in the postponements of the next meeting between presidents, and sometimes in harsh and malevolent voices from across the ocean. Nevertheless, the onward movement continued. In recent weeks the U.S. Administration has taken a number of specific steps indicating that Washington intends to continue to cooperate with our country. A decision to grant the Soviet Union a credit of $1.5 billion, mostly for purchases of U.S. grain, has been announced. President Bush has advocated the speediest granting of most-favored-nation status to us in trade. Administration representatives, including U.S. Defense Secretary R. Cheney, are currently addressing congressional hearings to persuade the legislators to ratify the Treaty on Conventional Forces in Europe.

At his recent press conference in Washington, summing up three days of intensive talks, our foreign minister noted at the same time the U.S. Administration's clear desire to conclude the strategic arms treaty and to hold the summit meeting and the activation of forces in the United States opposed to the deepening of Soviet-U.S. cooperation. I think that on the whole the mood of the U.S. "establishment" is positive, it is in a mood for cooperation with the USSR and a mood to support our reforms as meeting the interests also of Americans themselves. But within the framework of this positive mood there are substantial divergences of approach. Should the Soviet Union be given economic aid or not? If it should, then how? There are also those who are openly gambling on the failure of the reforms in the USSR and on the collapse of the Soviet Union on the principle: The worse for them, the better. But such people in the United States are in the minority.

"Seven plus one" was the formula of the recent London conference. "Nine plus One" is our own Novo-Ogarevo equation. As life has shown, there is a direct connection between them. The better things go for us at home, the easier it is to make headway in foreign policy. And the worse things go, the harder it is. So it turns out that, both in our difficult internal affairs and in our less than easy foreign policy affairs, everything ultimately depends on us.

As the hero of [Ilf and Petrov's] "The Twelve Chairs" and "The Golden Calf" used to say: "It is for the drowning to rescue the drowning." That formula might seem unsuitable for us and unduly pessimistic. But that is only if you take a formalistic view of the words of the classics. That rather gloomy slogan sparkles with the cheerful irony of an energetic, dauntless, self-confident person. Ultimately everything hinges on our own efforts. Our future is in our own hands.

U.S. Media Cited on G-7 Summit

PM1907121991 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 5

[Report by correspondent A. Shalnev: "United States: It Was a Historic Wednesday, the Press Believes"]

[Text] New York—Perhaps U.S. observers were most surprised by the fact that Gorbachev, in the words of a CNN television correspondent, "came to London, which in the past few days has been a crossroads between capitalism and communism, to ask not for money but for assistance."

But all those who voiced surprise were nonetheless very well aware that a request for money, had it been voiced, would almost certainly have been refused. At any rate by the U.S. President.

The President would thus have expressed the mood which dominates in America. Yes, Americans are saying, the "cold war" has ended and we are even prepared to call the Soviet Union a neighbor, but we are by no means prepared to render it large-scale financial and economic aid.

These moods were mentioned by a CBS television correspondent who, in a report broadcast on the day Mikhail Gorbachev was completing his complex mission in London, listed a series of reasons which are compelling the United States to treat unenthusiastically Moscow's requests for money—even if they have not been stated publicly. The reasons are as follows: The acute shortage of free funds in the United States itself which could be released to develop the health and education systems which are in what is by U.S. standards a catastrophic state; many Americans' abiding distrust of the USSR which, according to one person questioned by a CBS reporter, "can hardly change completely"; the real possibilities which the Soviet Union itself has to help itself—most often in this connection you hear it said: "There is gold, oil, and much else in the USSR which could easily be turned into hard currency. So let Moscow use it."

President Bush is known for the fact that—in contrast to many of his predecessors—he monitors the moods of his compatriots most attentively—in the way these moods are reflected in different public opinion polls. He monitors them and considers them in the elaboration of his domestic and foreign policy. This feature of Bush the president was demonstrated in London for what from the viewpoint of local analysts was the umpteenth time.

When Bush was asked at a press conference how he would act if he were what he was a few decades ago—a Texan oil man—and how we would react to Moscow's invitation to foreign investors to invest money in the Soviet economy, the President replied as the majority of U.S. businessmen would reply: I would have to be sure who I was dealing with; I would have to be sure I would get my money back.

At present U.S. business has no such certainty. It would therefore be strange to expect Bush, if Gorbachev had asked for money and direct investments, to behave favorably.

In London Gorbachev received the most he could receive—a mass "of friendly advice and promises," as CNN put it, and the agreement of the "seven"—and this is a quotation from an ABC television report—"to make him their junior partner."

In items rapidly dispatched from London it is not hard to discern concern over how the results of the Soviet president's mission to London will be received in the Soviet Union. The fact that an agreement has finally been elaborated on strategic offensive arms, the ABC correspondent notes, is fine, but millions and millions of Soviet people are far more interested in economic questions and in that sense Gorbachev will most likely have to come up against his compatriots' disappointment at home. And second, the correspondent continues, the START agreement may provoke serious charges against Gorbachev—charges that he has made excessive concessions.

Incidentally, in warning of the likelihood of such charges commentators say virtually unanimously that the agreement became possible precisely thanks to the Soviet Union's "particular flexibility" and make it clear—citing administration staffers who do not wish to give their names—that it is this flexibility which guarantees the agreement's painless passage through the U.S. Senate.

However that may be, one could not fail to be surprised at the unanimity with which the U.S. reports described the London events of Wednesday 17 July as historic. Even during stagnation Soviet journalism did not use that description as often as the Americans are doing now.

Report on CIA 'Agents of Influence' Viewed

PM2207085191 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Jul 91 p 2

[Article by I. Kadulin and V. Prokopenko under the rubric "Top Secret": "Who Is More Valuable to U.S. Intelligence?"]

[Text]**The speech delivered by USSR KGB Chairman V.A. Kryuchkov at the 17 June 1991 closed sitting of the USSR Supreme Soviet in which he urged the deputies "persistently and resolutely to defend the USSR Constitution" has generated a tremendous response throughout the world. During his speech Kryuchkov stated that a ramified network of the CIA's so-called "agents of influence" is operating in the Soviet Union. We decided to find out which citizens can be regarded as agents of influence.**

We succeeded in obtaining from a well informed source in the KGB the text of a report delivered in 1980 by A. Koudvill [name as transliterated], a staffer of the Senate Special Committee on Intelligence, at a session of the consortium for the study of intelligence activity. This report, "on forms and methods of the implementation of clandestine operations by the United States' CIA in the eighties," is, in the KGB source's opinion, topical to this day both for the activity of the U.S. Secret services and for the USSR.

"The immediate aim of foreign policy pursued secretly or openly is always the same: influencing the political decisions of other states.

"...What politician from provincial to international level does not dream of having an influential friend in the enemy camp? To be useful such a friend must without fail engage in espionage. As a result of his influence the opposition may be deprived of the opportunity to use effective tactics, he may impede the rise of capable leaders, may channel the opposition's activity into a futile path or cause a split in its ranks. The difference between such an **agent of influence** and anyone in the

enemy camp who is simply benevolently inclined toward a foreign state is that the **agent of influence** coordinates his activity with representatives of that foreign state.

"The forms of this coordination can be most diverse. One example of the feeblest coordination could be private meetings between scientists or journalists who sympathize with a foreign state or with some political groupings abroad and representatives of that foreign state or grouping to discuss ways of achieving their common goal. Inviting a scientist, journalist, or so forth to visit the foreign state is a simple method for doing this.

"An example of closer coordination could be a **high-ranking politician** or a relation of his who takes bribes or receives aid from a foreign state in return for various services to representatives of that state or for influencing the adoption of individual government decisions.

"...The greatest benefit can be brought by the direct participation of **agents of influence** with the relevant opportunities in the process of the taking of political decisions in a country against which clandestine operations are directed. The implementation of this requirement is often simple. Agents who work as government employees can themselves take individual decisions or take part in other people's decision making. Agents who are businessmen or hold other influential posts—editors, major specialists, actors, and so forth—can use their influence to influence those who take decisions.

"...Thus, in the Soviet Union there is a broad network of religious, ethnic, and political dissident groupings. The rendering of aid to such groupings by secret methods by the governments of foreign states in a number of cases can be dangerous to the dissident groupings themselves.

"At the same time, although the organization of secret aid channels from the West is very difficult and dangerous, it is entirely possible to create the agents' network necessary for this even in powerful totalitarian states. When the totalitarian system is shaken, this network will prove very, very useful..."

When you have finally guessed who these agents of influence are, it is not hard to draw the relevant conclusions.

Any politician who opposes the 1980 model of the USSR is undoubtedly an agent of influence. Right up to the country's president, who launched perestroyka. It is they who are adding grist to the CIA mill.

On the other hand if you follow this same logic Brezhnev's apparatus, which made a mess of the country, consisted of agents of even more graphically expressed influence! All that is left to ascertain is who is more valuable to U.S. intelligence?

Senate Committee SDI Vote Reported

PM1907130191 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 1

[Report from roundup of IZVESTIYA, TASS, POST-FACTUM, REUTER, and AFP reports: " 'Star Wars' Package Adopted"]

[Text] The U.S. Congress Senate Armed Services Committee expressed itself Wednesday in favor of earmarking $4.6 billion in fiscal 1992 for the implementation of programs within the framework of SDI. By 16 votes to four the senators adopted the so-called "star wars" package which is a component part of the military expenditure bill approved by the committee last week at $291 billion.

This package provides for the deployment by 1996 of a ground-based ABM system using sensors put into space.

Sam Nunn, chairman of the Senate Armed Services Committee, has called the package which has been adopted "a very major achievement" since it suggests the plan and schedule for developing an effective ABM system.

China

Dalai Lama Praises Gorbachev; Hopes for Meeting

OW2207045291 Moscow INTERFAX in English 0930 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Addressing a press-conference in Ulan-Ude, Buryatia, the Dalai-Lama XIV expressed his admiration of Soviet President Mikhail Gorbachev and gave high grades to Gorbachev's services in effecting democratic change in Eastern Europe.

"If I could meet with Mikhail Gorbachev, we would focus on peace and security issues and a search for a third way of development in human society," said the Dalai Lama.

Touching on the situation in the USSR, the Dalai Lama emphasized that, in his opinion, the USSR is only beginning to take a U-turn to a new life. However, he said, the trend toward more democracy is indisputable. One evidence of this process, according to the Dalai Lama, is the rebirth of Buddhist traditions in Buryatia. According to the Dalai Lama, Buddhism has better prospects in Buryatia than it has in Tibet itself where the situation continues to remain tense.

Today the Dalai Lama XIV is completing his visit to buryatia. His program also includes a visit to the Tuva Republic and to the Aginskoe Buryat Autonomous District.

Rogachev, Cambodia's Hun Sen Meet in Beijing

LD1907144191 Moscow TASS in English 1338 GMT 19 Jul 91

[By correspondents Vladimir Oreshkin and Pavel Spirin]

[Text] Beijing July 19 TASS—Deputy Soviet Foreign Minister Igor Rogachev and Cambodian Prime Minister Hun Sen met in Beijing today to discuss a wide range of issues on ways to restore peace in Cambodia, as well as Soviet-Cambodian relations.

Rogachev was visiting Beijing for a meeting of representatives of permanent members of the U.N. Security Council on Cambodia.

The sides said they favoured an early political settlement in the conflict for the benefit of Cambodian people, peace and cooperation in South-East Asia.

They discussed possible joint efforts by participants in the international Paris conference on Cambodia to prepare its final stage.

Rogachev praised the constructive contribution by the Cambodian delegation led by Hun Sen in promoting national reconciliation and taking major decisions at the two last sessions of the Supreme national Council of Cambodia (SNC).

Rogachev told Hun Sen about Soviet efforts to support and expand inter-Khmer agreements, including a ceasefire and an end of military deliveries to Cambodia, as well as the sending of a SNC delegation to a U.N. General Assembly session and international humanitarian help to Cambodia.

Hun Sen said he was prepared to search for a compromise on remaining issues. He stressed the importance of deeper understanding and trust between Cambodian sides in the framework of the SNC.

Both leaders supported promoting friendship and cooperation between the Soviet and Cambodian people.

Talks on Cambodia Seen To Have Limited Prospects

PM1907101191 Moscow IZVESTIYA in Russian 18 Jul 91 Union Edition p 4

[Report by Yu. Savenkov: "Prince Sihanouk Restrained"]

[Text] Beijing—As already reported by us yesterday, Beijing has become the meeting place for the parties to a Cambodia settlement. A session of the Supreme National Council of Cambodia is under way, chaired by Prince Norodom Sihanouk.

Among others, participants include Hun Sen, prime minister of the State of Cambodia; Khieu Samphan (Khmer Rouge); Son Sann (Khmer People's National Liberation Front). As we know, in line with a UN peace plan prepared by the five great powers, the Supreme National Council of Cambodia will represent the rights of Cambodians while a provisional international organ will in fact govern the country.

Prince Sihanouk announced at a press conference that this meeting is unlikely to solve the main problems on the road to a political settlement. Especially such "thorns" as the problem of security and sovereign rights. The more so as the meeting is of an unofficial nature. The council's official session is due to take place in August in the Thai capital, Bangkok. "There will be a friendly exchange of opinions in Beijing," Sihanouk noted. He made it plain that as there are differing views on how to implement the UN plan, clearly it is most probable that merely secondary problems will be tackled. Such as the composition of the delegation for September's UN General Assembly session and the exact date for Cambodian Supreme National Council's official August sitting.

As we know, at the June Supreme National Council meeting in the Thai city of Pattaya, the Cambodian sides reached agreement on an immediate cease-fire and also agreed that the council's military headquarters will be in Phnom Penh. But there are still many undecided questions concerning the various approaches to the methods of realizing the UN plan proposed by the "big five." Phnom Penh, as we know, believes that an international organ must, above all, execute the function of an advisor and not an fully authorized power. Phnom Penh's current administrative structures must be preserved, and the Supreme National Council must be a bridge uniting the government of the State of Cambodia and opposition groupings. The actual method for supervising disarmament is also causing confusing: Phnom Penh considers that it does not provide guarantees against the restoration of the Pol Pot regime, which terrorized the country for so long by conducting a policy of genocide against compatriots.

On Wednesday, consultations between representatives of the five permanent UN members and the co-chairmen of the Paris Conference on Cambodia also began in Beijing.

Southeast Asia & Pacific

Maslyukov Activities at ASEAN Ministers Meeting

Discusses Ties With Qian Qichen

LD2007181491 Moscow TASS in English 1052 GMT 20 Jul 91

[By correspondents Mikhail Tsyganov and Georgiy Shmelev]

[Text] Kuala Lumpur July 20 TASS—Soviet Deputy Prime Minister Yuriy Maslyukov met Chinese Foreign Minister Qian Qichen here today to discuss relations between the Soviet Union and China and the Association of South East Asian Nations (ASEAN).

The Soviet delegation, which also includes deputy foreign minister Igor Rogachev, is visiting the city for a conference of ASEAN foreign ministers at the invitation of the Malaysian Government.

Maslyukov and Qian Qichen noted the importance of their countries' participation in the ASEAN meeting and their desire to continue dialogue with the influential regional organisation.

They praised ASEAN's contribution to promoting stability, economic development and international and regional cooperation.

They also discussed trade and economic cooperation between the Soviet Union and China, stressing the importance of a meeting of the joint Soviet-Chinese Commission on Trade, Economic, Scientific and Technical Cooperation, which opens in Moscow on July 29.

They addressed several international issues, including preparations for the forthcoming 46th session of the U.N. general assembly.

Meets ASEAN Foreign Ministers

LD2007182291 Moscow TASS International Service in Russian 1535 GMT 19 Jul 91

[By special correspondents Mikhail Tsyganov and Georgiy Shmelev]

[Text] Kuala Lumpur, 19 Jul (TASS)—Foreign observers see the working meeting held in the Malaysian capital this evening between USSR Deputy Prime Minister Yuriy Maslyukov and the foreign ministers of the ASEAN member countries as the start of a dialogue between the Soviet Union and ASEAN. They discussed the development of cooperation in various fields between the USSR and this influential regional organization, which comprises Brunei, Indonesia, Malaysia, Singapore, Thailand, and the Philippines.

The Soviet state figure is here on an official visit at the invitation of the Malaysian Government to attend the two-day conference of the foreign ministers of the ASEAN member countries, which began today.

An accord was reached to continue the dialogue. In particular, the Soviet delegation was invited to the next ASEAN foreign ministers' conference which will be held in Manila in 1992.

It is significant that in addition to questions of the development of trade and economic ties with the USSR, the ministers of the association countries paid great attention to the problems of joint activity to strengthen security and stability in the region. The representatives of the association heard with understanding the speech by Yu. Maslyukov, who set out the Soviet view of the situation in the region, the main futures of the USSR's policy in southeast Asia, and Moscow's attitude to ASEAN as an authoritative regional grouping.

The dialogue between ASEAN and the USSR is taking place for the first time. In its form, this meeting is similar to the association's dialogue with its traditional partners, Australia, the European Community, Canada, New Zealand, the United States, Japan and, recently, South Korea. That dialogue will also take place this year, after the conference.

Talks with Malaysian Prime Minister

LD1907215291 Moscow TASS International Service in Russian 0842 GMT 19 Jul 91

[By special correspondents Mikhail Tzyganov and Georgiy Shmelev]

[Text] Kuala Lumpur, 19 Jul—Ways of promoting economic cooperation between the Soviet Union and Malaysia were the focus of attention at a meeting today between Mahathir bin Mohamed, head of the Malysian Government, and Yu.D.Maslyukov, USSR deputy prime minister. The Soviet guest handed to the Prime minister a personal message from USSR President M.S. Gorbachev.

Yu.D. Maslyukov arrived in Kuala Lumpur at the head of a Soviet delegation which is taking part in a conference of foreign ministers of member-countries of the Association of South-East Asian Nations (ASEAN). This is the first official dialogue between the ASEAN's "Six"—Brunei, Indonesia, Malaysia, Singapore, Thailand, Philippines—and the Soviet Union.

The partnership between the USSR and Malaysia can bring many economic advantages to both sides. The Malaysia side has great interest in Soviet developments in the sphere of science and technology. In its turn, dynamically developing Malaysia can offer the USSR products of the electronics industry, experience in a successful implementation of programs of privatization and attraction of foreign investments, and a combination of economic progress with solving social and interethnic problems.

Reviews Results of ASEAN Dialogue

LD2107092891 Moscow TASS in English 0818 GMT 21 Jul 91

[By special correspondents Mikhail Tsyganov and Georgiy Shmelev]

[Text] Kuala Lumpur July 21 TASS—"A dialogue that began in the capital of Malaysia between the Soviet Union and the Association of Southeast Asian Nations (ASEAN) as an organisation has become the logical consequence of our countries' movement towards each other," Soviet Deputy Prime Minister Yuriy Maslyukov told TASS today.

He is winding up his official visit to Malaysia at the invitation of the Malaysian Government to attend the

conference of the foreign ministers of ASEAN members—Brunei, Indonesia, Malaysia, Singapore, Thailand, and the Philippines. The conference ended here on Saturday.

"We regard the establishment of relations with ASEAN as an significant event in the Soviet Union's contacts the [word indistinct] six, which makes it possible to elevate these contacts to a qualitatively new stage," Maslyukov said.

The Soviet Union views the ASEAN as "the most authoritative and vital" regional organisation, the role and influence of which is be no means limited to Southeast Asia but are also seriously felt in world affairs, the Soviet deputy premier said.

The expansion of relations with ASEAN members, Maslyukov pointed out, is to broaden interaction and mutual understanding between countries and peoples, and to give a boost to the development of mutually beneficial cooperation in diverse fields—political, trade-and-economic, and humanitarian.

"For its part, the Soviet Union is ready to moves in response to add substance to the nascent dialogue with the ASEAN," he added.

Maslyukov regarded an invitation extended to the Soviet Union and China to attend an ASEAN foreign ministers' regular conference, which is to be held in the Phillippines in summer next year, as a new important manifestation of the ASEAN's readiness for further efforts in this respect.

He believes that there exist absolutely realistic prerequisites for a considerable intensification of contacts between the Soviet Union and the ASEAN, primarily in the trade-and-economic fields, to set up their cooperation, for example, in the power industry and space research, in action to combat environmental pollution, fisheries, and in many other spheres.

As far as the political field is concerned, Maslyukov said, it must be noted that the Soviet Union welcomed—and repeatedly reaffirmed that—the ASEAN's idea of establishing a zone of peace, freedom and neutrality in Southeast Asia and making the region a nuclear-free zone. He emphasised the readiness of the Soviet side to begin consultations on the matter.

Maslyukov also highly appreciated the ASEAN's contribution to settling one of the longest regional conflicts—the conflict in Cambodia—pointing out that opportunities for cooperation in this respect also exist.

He believes that joint efforts must be directed towards establishing and ensuring a reliable and durable system of security, stability and cooperation in Southeast Asia and the Asia-Pacific region as a whole, which accords with changes in the world, the interests and needs of the two sides.

The dialogue launched in Kuala Lumpur, Maslyukov stressed, creates additional opportunities and conditions for resolving these and many other problems and determining points of contacts for the positions and interests of the sides.

Expresses 'Satsifaction' With Talks

LD2107135591 Moscow TASS in English 1301 GMT 21 Jul 91

[Text] Kuala Lumpur July 21 TASS—Soviet Deputy Prime Minister Yuri Maslyukov, who stayed in Malaysia on an official visit, took part in activities to establish official relations between the Soviet Union and the Association of Southeast Asian Nations (ASEAN).

The Soviet representative attended a plenary meeting of the 24th annual session of the ASEAN and met the foreign ministers of 'the six'. Possible areas of USSR-ASEAN cooperation were considered during the meeting.

Maslyukov expressed satisfaction with the start of the USSR-ASEAN dialogue, pointing out that by proposing to establish official relations with ASEAN, the Soviet Union took into account the growing international prestige and substantial economic potential of this effectively functioning regional organisation, and the consonance of its international activities with the goals and orientations of Soviet foreign policy.

He emphasised a desire to steer matters towards establishing a full-scale dialogue between the USSR and the ASEAN and towards adding substance to it.

Maslyukov voiced an opinion about the desirability of holding a meeting of experts soon to work out recommendations on promising trends in the development of the USSR-ASEAN relations.

The deputy premier expressed confidence that the dialogue, which elevates the USSR-ASEAN relations to a qualitatively higher stage, will contribute to ensuring security, stability and cooperation in Southeast Asia and in the Asia-Pacific region as a whole.

When meeting the ASEAN foreign ministers, Maslyukov elucidated the basic directions of the Soviet Union's foreign-policy activities, based on the programme set out in Vladivostok and Krasnoyarsk, in the Asia-Pacific region.

The deputy prime minister emphasised that the Soviet Union's current political and economic restructuring opens up wide opportunities "for its more active involvement in economic processes in the Asia-Pacific region, and constructive participation in the activities of regional organisations and the development of contacts with countries in the region, including ASEAN member-states.

The ASEAN foreign ministers welcomed the start of the USSR-ASEAN dialogue and highly appreciated the

Vladivostok-Krasnoyarsk initiatives, and practical Soviet diplomatic efforts towards easing tension in the region and resolving regional conflicts. "

Maslyukov was received by Malaysian Prime Minister Mahathir bin Mohamad and had talks with Deputy Premier Abdul Ghafar Baba, Foreign Minister Ahmad Badawi, and Foreign Trade and Industry Minister Rafidah Aziz. The talks were held in an atmosphere of mutual understanding and well-wishing.

The Soviet deputy prime minister delivered a personal message from Soviet Prime Minister Valentin Pavlov to Mahathir bin Mohamad.

There was a detailed exchange of views on key matters of Soviet-Malaysian relations, topical international and regional problems. The two sides expressed mutual satisfaction with the activisation of political dialogue between the USSR and Malaysia and the expansion of bilateral contacts in various fields. The two sides favoured the further deepening and diversification of Soviet-Malaysian contacts and the strengthening of their legal foundation.

When considering the international situation, the two sides reaffirmed proximity or identity of positions on a wide range of issue. They were gratified to state that large-scale positive processes of the restructuring of international relations are taking place in the world and that a tendency towards transition from confrontation to dialogue and interaction, and towards real disarmament and settlement of regional conflicts had been established.

During an exchange of views on the state of affairs in the Asia-Pacific region, the two sides noted that international relations in the region have become much warmer than before, and that representatives of various countries pool efforts to resolve conflicts that have piled up over the cold-war years. In this context the two sides declared for the earliest settlement of the conflict in Cambodia and for an improvement of the situation on the Korean peninsula.

Maslyukov invited Abdul Ghafar Baba to visit the Soviet Union at a time convenient to both sides. The invitation was accepted with gratitude.

Malyukov Begins Visit to Indonesia

LD2107172891 Moscow TASS in English 1707 GMT 21 Jul 91

[By special correspondents Aleksey Petrov and Georgiy Shmelev]

[Text] Jakarta July 21 TASS—Soviet Deputy Prime Minister Yuriy Maslyukov arrived in Jakarta on a three-day official visit at the Indonesian Government's invitation from Kuala Lumpur today.

In the Malaysian capital, the Soviet delegation attended a conference of ASEAN foreign ministers for the first time in the history of Soviet relations with that regional organisation.

In a statement for the press at Jakarta's international airport, Maslyukov said that the Soviet delegation will discuss a broad range of international and regional problems and the further development of bilateral ties. "A new chapter was opened in the history of these relations by Indonesian President Suharto's visit to the USSR," he said.

The Soviet party to the talks in Jakarta, said Maslyukov, will strive "to advance relations between the two countries in all fields, especially in trade and economy, where immense untapped reserves are available."

Maslyukov will meet President Suharto on Monday and hold talks with an Indonesian delegation led by Industry Minister Hartarto.

The Soviet delegation plans to tour a number of industrial enterprises and meet Indonesian businessmen and scientists.

Meets Indonesian President

LD2207120191 Moscow TASS International Service in Russian 0705 GMT 22 Jul 91

[By special correspondents Aleksey Petrov and Georgiy Shmelev]

[Text] Jakarta, 22 Jul (TASS)—USSR Deputy Prime Minister Yuriy Maslyukov, who arrived in Jakarta on Sunday on a business visit at the head of a Soviet Government delegation, was received by President Suharto of Indonesia today.

Replying to a question by TASS correspondents after the meeting ended, Yu.D. Maslyukov reported that he conveyed a personal message from USSR President M.S. Gorbachev to the Indonesian president of the results of the participation of the Soviet delegation in the conference of ASEAN foreign ministers that just ended in Kuala Lumpur. This was the first such meeting attended in the USSR's relations with that prestigious regional organization. He also informed the Indonesian president about the G-7 meeting in London in which the USSR president took part.

Questions raised in M.S. Gorbachev's message were discussed at the meeting with the Indonesian president, the head of the Soviet delegation continued. "We expressed a great desire to expand our cooperation with Indonesia in the trade and economic and scientific-technological fields," he pointed out.

The deputy prime minister informed President Suharto of the course of perestroyka in the Soviet Union and of the steps that the Soviet leadership intends to take to stabilize the country's economy. The Soviet side

expressed a desire to make use of the experience accumulated by the ASEAN countries, including Indonesia, in the area of transferring a centralized economy to market relations.

The head of the Soviet delegation noted that President Suharto expounded his approach to the issue of the USSR's following Indonesia's example in finding a way out of the present situation. Suharto proposed a number of fields for bilateral cooperation, including the establishment of joint enterprises. These proposals will be discussed in detail at the forthcoming talks with representatives of the Indonesian Government and the country's business circles.

Near East & South Asia

'Armed Provocations' Against Lebanon Reported

PM2107194591 Moscow IZVESTIYA in Russian 20 Jul 91 Union Edition p 5

[Report by V. Lashkul: "Near East: Spiking Peace Initiatives"]

[Excerpts] The Israeli Air Force has carried out bombing raids on Lebanon. Bases belonging to the pro-Iranian Hizballah organization in the population centers of al-Luwayzah and Jabal-Safi have come under rocket attack. [passage omitted]

Long-range artillery has now been turned on the regions bombarded from the air. Population centers in the mountainous Iqlim al-Tuffah region have also come under fire. Moreover, armored subunits of the regular Israeli Army have been redeployed to the artillery assault zone to carry out subsequent punitive action. [passage omitted]

In a letter to the United Nations, the Lebanese Government has once again protested Tel Aviv's continuing occupation of the country's southern regions. The document stresses that Israeli leaders are pointedly keeping their troops on Lebanese soil at a time when the legitimate authorities are trying to take full responsibility for security over the state's entire territory.

The international community is also alerted by the fact that Israel's latest armed provocations against sovereign Lebanon have been carried out against the backdrop of the Syrian-Egyptian summit talks on the problems of finding a peaceful settlement to the Near East conflict, as well as during the peace missions to the region by senior UN representative M. Golding and U.S. Secretary of State J. Baker.

Commentary Hails Rafsanjani Remarks on Revolution

NC2007180691 Moscow Radio Moscow in Persian to Iran 1430 GMT 18 Jul 91

[Commentary by Yuriy Andreyev]

[Text] On (?Tuesday) Iranian President 'Ali Akbar Hashemi-Rafsanjani addressed a gathering of high-ranking Iranian diplomats, which our analyst Yuriy Andreyev now discusses:

In a speech that covered a wide range of topics, Iranian President 'Ali Akbar Hashemi-Rafsanjani issued precise and explicit directives to his Foreign Ministry officials. He spoke about ethics, social life, the economy, the government's activities, and, of course, foreign policy.

The most important portion of the president's speech was that which dealt with foreign policy. He noted that it has become clear today that the Islamic revolution cannot be exported to other countries through (?the use of force) and affirmed that the best way to export the revolution is to create a society the whole world will want to imitate.

This statement is extremely important, as in practical terms it represents an official abandonment of the slogan of exporting the Islamic revolution, which had been the main (?pillar) of the country's foreign policy for many years.

As we know, the idea of exporting the Islamic Revolution was actively propagated by Imam Khomeyni and many other Iranian leaders after him. Imam Khomeyni once said that Iranian Muslims will not stop their struggles until the whole world had come under Islamic rule. This approach required that Iran follow a certain line in its foreign policy. On the one hand Iranian embassies, consulates, and missions abroad were turned into institutions to export the Islamic Revolution through so-called diplomatic means. On the other hand, the Iranian leadership made great efforts to interfere in the affairs of Islamic countries and to impose the idea of an Islamic Revolution on them by force. It is enough here to recall the Mecca uprising in 1979, the plot in Bahrain in 1981, and the [word indistinct] attempts in Qatar, Kuwait, and Lebanon.

In short, the idea of exporting the Islamic Revolution was at odds with the mood now dominating international relations, resulting in Iran's almost complete isolation. It now appears, however, that this era is rapidly fading into history. At the least, the Iranian president is basing his foreign policy on wise calculations and the acceptance of political realities, as he showed once again in his speech to the diplomats.

Gulf Security Without Iran 'Illogical'

NC1907100591 Moscow Radio Moscow in Persian to Iran 1430 GMT 16 Jul 91

[Commentary by Yuriy Andreyev]

[Text] Esteemed listeners: Iran has said that it is very interested in the collective effort of ensuring Persian Gulf security. The country's first vice president made a statement in Tehran on the issue.

Obviously, Hasan Habibi's remarks were addressed to the foreign ministers of the six Gulf Cooperation Council countries and Syria and Egypt. These eight countries will on Monday, 22 July, to discuss the regional security issues in Kuwait. Iran has not been invited and is forced to follow the events from a distance.

It appears that the Arab world forgot about Iranian interests at their session in Damascus. On 6 March all the aforementioned Arab countries congregated in the Syrian capital and issued the so-called Damascus declaration, in which it was envisaged that a joint force of 100,000 troops, mainly from Egypt and Syria, would be established to ensure Persian Gulf security.

Iran would, therefore, remain at a distance and would be completely eliminated from the regional security structure. Tehran opposed this plan. It was not mere coincidence that following the declaration's release the Iranian Government immediately initiated a series of official diplomatic measures to voice its dissatisfaction.

'Ali Akbar Hashemi-Rafsanjani announced that without an Iranian presence all security plans for the Gulf would lack perspective and would be, therefore, doomed to fail. It seemed that the Arab capitals took note of this statement because high-level Arab diplomats made various (?conciliatory) statements and promised to keep Iranian interests in mind in the future.

This promise, however, was restricted to words; Iran was not invited to the Kuwait meetings on Gulf security. It is difficult to term the Arab stance on Iran as uniform. IRNA reported that Egypt opposed Iran's inclusion in the regional system. We know that Iran and Egypt have not had diplomatic relations for a long time and, despite the general strengthening of Iran's relations with the Arab world, that political confrontation between the two countries continue. In any case, Iran's (?stance) has some supporters. For example, IRNA reports that Kuwait believes that Iranian participation is necessary in any collective security system in the Persian Gulf.

In conclusion, it is too difficult to say how the Kuwait session will end. The creation of any kind of security structure in the Persian Gulf without Iranian participation is, at best, very illogical.

East Europe

Churkin Explains Soviet Stand on SFRY Crisis

LD2007170191 Moscow Radio Moscow in Serbo-Croatian 2000 GMT 18 Jul 91

[Excerpts] The development of events in Yugoslavia in the past two weeks has forced many countries to review their position on the Yugoslav crisis. Following the use of military force in Slovenia by the central government, many countries who had previously advocated Yugoslav unity and territorial integrity have increasingly voiced their support for independence proclaimed by Slovenia and Croatia. The Soviet Union favors unity and territorial integrity of the Yugoslav Federation on the one hand, and the right of nations to self-government on the other. Many observers find this attitude not sufficiently clear. Will this attitude be changed in the light of recent developments in Yugoslavia? Our reporter [name indistinct] addressed this question to Vitaliy Churkin, head of the Information Department of the USSR Minister of Foreign Affairs.

[Begin recording] [Churkin, in Russian, fading into Serbo-Croatian translation] In the course of the present crisis in Yugoslavia, or to be more precise, its exacerbation in the past few weeks, there has been a variety of statements, but as far as I am aware, no country has issued any declarations recognizing the independence of Slovenia and Croatia. In my view, our stand is quite clear. Naturally, there is the view that the rights of the nations of the SFRY to self-determination and independent development should be respected. However, we believe that these rights should be realized within the constitutional order, and should not cause disintegration of intranational life. We believe that Yugoslavia's territorial integrity is [word indistinct], which has to be treated as such.

[Correspondent] This suggests that the USSR's stand on the Yugoslav conflict remains the same. In the light of this, how does the USSR Ministry of Foreign Affairs regard the idea of internationalization of the Yugoslav question, which has recently become a fact.

[Churkin, in Russian, fading into Serbo-Croatian translation] We are against [word indistinct] internationalization. There is a framework for this. This question has been discussed at a meeting of the CSCE member countries. As you know, it was discussed following a request by the Yugoslav leadership at the Berlin session of the Committee of the CSCE foreign affairs minister. [passage omitted] Let me reiterate that the Soviet Union consistently supports the decisions on Yugoslavia adopted by the international community. [end recording]

Vitaly Churkin, head of the Information Department of the USSR Ministry of Foreign Affairs, has informed us about the Soviet stance on the Yugoslav crisis and the idea of its internationalization.

Polish Minister Meets Russian Counterpart

LD1907145691 Warsaw PAP in English 1252 GMT 19 Jul 91

[Text] Moscow, July 19—Poland's Minister for Foreign Economic Relations Dariusz Ledworowski said during a meeting with his Russian counterpart Victor Yaroshenko here that Poland wants to sign long-term agreements on economic cooperation with his Republic.

Under the agreements, Poland would supply Russia with coal, sulphur, medicines and food in exchange for Russian gas and crude oil. The Russian side expects to sign

the first contract during the next stage of negotiations, to be held in Warsaw in August.

Minister Dariusz Ledworowski met also with Soviet Deputy Minister for Foreign Economic Relations Konstantin Katushev to discuss the expansion of trade relations before Poland's governmental delegation with Prime Minister Leszek Balcerowicz visits Moscow in coming weeks.

Polish Concerns About G-7 Viewed

PM1807105391 Moscow PRAVDA in Russian 18 Jul 91 First Edition p 5

[TASS report under the "Echo of London" rubric: "Interest and Suspicion"]

[Text] Warsaw, 17 Jul—Interest and some suspicion are noticeable in Poland as regards USSR President M.S. Gorbachev's meeting with the G-7 leaders. People here are trying to decide from the nature of this meeting how the West can continue promoting the transformations in Eastern Europe, and, on the other hand, there is a feeling of jealousy combined with the sober calculation: People in London would not have forgotten about us and our problems.

"Eastern Europe, including Poland, is afraid that the West's focusing its attention on the USSR's problems will weaken support for the reforms being carried out in other postcommunist states," SLOWO POWSZECHNE writes. According to the newspaper, these countries are doing their utmost to show the West that they can be trusted and they have created all conditions for major capital investment in their economies.

"We suggest," Jacek Saryjusz-Wolski, Polish Government representative for questions of European integration and foreign aid, said during a conversation with TASS correspondent I. Galkin, "that funds earmarked for the Soviet Union as aid are handed over for the procurement of goods in Poland, Czechoslovakia, and Hungary. Technically the scenario could be as follows: Western countries provide the Soviet Union with aid in zlotys, korunas, and forints and your country buys goods with this money from us, Czechoslovakia, and Hungary. In that case our currencies would serve as a basis for procuring goods in our countries."

Falin Meets With Slovak Left Party Visitor

PM1907095591 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 4

[TASS report under the general heading: "Official"]

[Text] V.M. Falin, CPSU Central Committee secretary, met with P. Weiss, chairman of the Slovak Democratic Left Party [DLP], who is visiting Moscow at the invitation of the CPSU Central Committee, 16 July.

During the conversation they discussed questions of CPSU-DLP cooperation, exchanged opinions on the current state of Soviet-Czechoslovak relations, and stressed both parties' desire to actively promote the constructive development of these relations.

USSR-CSFR Protocol on Payments Signed

LD1807223191 Moscow TASS International Service in Russian 1755 GMT 18 Jul 91

[by correspondent Vitaliy Yaroshevskiy]

[Text] Prague, 18 Jul—A protocol to the 28 December 1990 payments agreement between the Governments of the USSR and the CSFR was signed today at Zabraslav near Prague. The document was signed by Jiri Brabec, Czechoslovakia's acting foreign trade minister, and Boris Pankin, the USSR ambassador to the CSFR. The protocol makes it possible for the national currencies of the two countries to be used in trade operations, above all at the level of enterprises and republics.

This is a very important step on the way to overcoming the obstacles to Czechoslovak-Soviet trade, J. Brabec said in a conversation with the TASS correspondent. This is also evidence of the fact that both sides are making considerable efforts to overcome existing difficulties. The protocol opens up possibilities for barter deals where previously they did not exist. Settlements in national currencies are much more simple for many economic subjects, both in Czechoslovakia and the Soviet Union. The next step should be a banking agreement which makes room for new trading operations, J. Brabec noted.

West Europe

Gorbachev Holds Talks With UK Leaders

'Unconstrained' Talk With Kinnock

PM2107142591 Moscow PRAVDA in Russian 20 Jul 91 Second Edition p 5

[TASS report: "Meeting With Labour Leader"]

[Text] London, 19 Jul—M.S. Gorbachev today met with Neil Kinnock, leader of the British Labour Party.

During a lively, unconstrained discussion they primarily exchanged views on M.S. Gorbachev's meeting with the "G-7" leaders. N. Kinnock, noting the fundamental importance of this first step toward new economic relations between the USSR and the Western countries, believes that the "G-7" should embark on more radical steps in the very near future. It is very important that "the key has been turned in the door."

M.S. Gorbachev, talking about the beginning of a new process on a world scale, particularly singled out the importance of creating a cooperation mechanism, the outlines of which have been agreed.

N. Kinnock talked about the historic importance of reform in the USSR for the entire world. Although those who initiate and implement reform are forced to shoulder a burden of unpopularity, their services are invaluable. We sense this, M.S. Gorbachev responded. But this does not diminish our resolve to press on steadily with reform and clear a way for the future. People who are prepared to gather wood to light a fire under those who have shouldered responsibility for such transformations have not learned the lessons of history. Those are people, N. Kinnock quipped, for whom wood-gathering is their only taste of real work.

The landmark importance of completing the work on a strategic offensive weapons treaty was stressed, and the prospects for further progress toward more profound disarmament were discussed.

N. Kinnock shared his views of the problems currently facing British society, and of his party's political line.

Taking part in the talks were G. Kaufman, "shadow" foreign secretary; C. Clark, parliamentary assistant to the Labour leader; A.A. Bessmertnykh, A.S. Chernyayev, V.V. Zagladin, and L.M. Zamyatin.

Kinnock on 'Significance' of G-7

LD2007001891 Moscow TASS International Service in Russian 1544 GMT 19 Jul 91

[Text] London, 19 Jul (TASS)—M.S. Gorbachev today met British Labour Party leader Neil Kinnock. In a lively informal conversation they exchanged impressions of M.S. Gorbachev's meeting with the G-7 leaders. Kinnock noted the fundamental significance of this first step toward new economic relations between the USSR and the West. He considers that in the every near future the G-7 will have to take more radical steps. it is very important that "the key has been turned in the door."

M.S. Gorbachev, speaking of the beginning of a new process on a world scale, singled out the importance of creating the machinery of cooperation, the general shape of which has been agreed on. Kinnock spoke of the historic significance of the reforms in the USSR for the whole world. Although those who are initiating and implementing the reforms are having to bear a burden of unpopularity, their merits are incalculable. M.S. Gorbachev reacted by saying that "we feel that." But this does not weaken our resolve to press on steadily with the reforms and clear a space for the future. Those who are preparing wood to light a fire under those who have taken on themselves responsibility for such reforms do not know how to learn the lessons of history. Kinnock quipped that these are people for whom gathering wood is their only taste of real work.

It was stressed that the completion of work on the strategic offensive arms treaty was a milestone. There was discussions of further progress toward more radical disarmament. Kinnock shared thoughts about the problems facing British society and about the political line of his party.

Taking part in the conversation were shadow foreign minister G. Kaufman, the parliamentary assistant to the Labour leader, C. Clark, A.A. Bessmertnykh, A.S. Chernyayev, V.V. Zagladin, and L.M. Zamyatin.

Kinnock: Gorbachev 'Capable'

LD1907231691 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 19 Jul 91

[From the "Vremya" newscast]

[Text] This morning at his residence in London, President Gorbachev met with the UK Labor Party leader Neil Kinnock, who is very popular in Britain. Kinnock has been chairman of the Labor Party for eight years. The two politicians have met several times before both in London and Moscow. According to the opinion polls, in the past few months the Labor party remained substantially ahead of the Conservatives thanks to its popular social and economic programs. Kinnock is a convinced socialist, and from the very beginning has expressed his support for perestroyka and the economic reforms in the USSR. He has said: I personally understand perestroyka as a giant attempt to combine socialism with freedom. This is an extremely important undertaking.

Answering journalists' questions, Kinnock said that he discussed the results of the G-7 meeting and Soviet-British relations with President Gorbachev. According to Kinnock, it is important that a key to the door leading to cooperation between USSR and the Western countries was found. There are no easy solutions for the Soviet people, but now, after London, the West should do everything possible in order to help the Soviet reforms in practice. When we are talking about the Soviet leaders capable of getting the country out of crisis we are talking first of all about Gorbachev, stressed Kinnock. [video shows Gorbachev, Kinnock talking to journalists]

Meets Thatcher

PM2107141791 Moscow PRAVDA in Russian 20 Jul 91 Second Edition p 5

[TASS report: "Meeting in London"]

[Text] London, 19 Jul—USSR President M.S. Gorbachev met with Margaret Thatcher in London today. These were talks between people who have traveled a long road together in world politics.

M.S. Gorbachev shared his impressions of his stay in London. A start has been made on the process of organically involving the Soviet economy in world economic ties based on reciprocal steps—our radical reforms and corresponding steps from the "G-7." M.

Thatcher, who played a large part in making this possible, stressed that the "G-7" leaders' statement of support for the Soviet president in radically reforming the Soviet economy should be backed up by vigorous practical actions. This, in her opinion, is what Western business circles are waiting for.

M.S. Gorbachev made a high assessment of M. Thatcher's intention to actively promote the development of this process, and expressed readiness to keep in contact with her.

Thatcher Opinion on Meeting

LD2007184191 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 20 Jul 91

[Video report by reporter Shishkovskiy from the "Vremya" newscast]

[Text] There was a meeting on 19 July between President Gorbachev and Margaret Thatcher. It was particularly warm and friendly, for through all the recent years when Thatcher was in power, relations between the leaders of the two countries were marked by sincerity, openness, and amicability. This not only determined the level of personal human contacts between the two leaders, but also set the tone for the political dialogue and relations between Moscow and London. It can be said without exaggeration that Thatcher has made an exceptional contribution to the development of Soviet-British relations, as well as to the whole of process of molding public opinion toward Western support for Soviet reforms, even though she is no longer prime minister of Britain.

Thatcher told journalists that from the very outset she looked on perestroyka in the USSR with great optimism. When she recently visited Moscow and Leningrad she became convinced that reform is not only essential but will be carried through. I am sure, Thatcher said, that Western businessmen, British included, should not fear to invest capital in the Soviet economy. There will be no quick profits, but in due course cooperation and investment will be doubly repaid. [video shows Thatcher arriving at Gorbachev accommodation in London, the two in conversation, Thatcher addressing media]

Major Praises Talks

LD1907180791 Moscow TASS in English 1553 GMT 19 Jul 91

[By correspondent Dmitriy Voskoboinikov]

[Text] London July 19 TASS—British Prime Minister John Major described his talks with Soviet President Gorbachev as productive and significant. Speaking in parliament today, he said that future historians would describe the London meeting between leaders of G-7 and the Soviet leader, as well as the Soviet-British talks on the following day as the first step on the way to rendering assistance to the Soviet Union, so that the USSR becomes a full-fledged member of the world economic community.

Speaking about his talks with Gorbachev, the head of the British Government stressed that he regarded them as history-making. In his opinion, discussions between the leaders of the two countries were informal, open and concrete. On the whole, the participants in the London talks managed to achieve the greatest ever changes in the economic relations between G-7 member states and the Soviet Union.

Major confirmed that he intended to pay a visit to the Soviet Union before the end of this year in order to continue the started dialogue on ways of rendering assistance to the Soviet Union in the restructuring of its economy. According to Major, British Chancellor of the Exchequer Norman Lamont will probably visit the USSR this month.

Other British politicians also praised the results of the London talks of the Soviet president. British Labour leader Neil Kinnock made it clear in an interview with the Sky news TV company after his meeting with Gorbachev today that he favoured a more active Western support for economic transformations in the USSR. He pointed out that one should not say: We shall give you the money for building a house, but you build the house first.

Margaret Thatcher, former head of the British government, who also met the Soviet leader today, stressed in a Sky news interview that now she was far more optimistic about chances for success of the Soviet economic reforms.

Leaves For Home

LD1907124391 Moscow TASS International Service in Russian 1152 GMT 19 Jul 91

[Text] London, 19 Jul (TASS)—USSR President M.S. Gorbachev has left for home after completing his three-day visit to London. During the visit he had meetings with leaders of the seven industrially developed countries of the west, and also talks with the leaders of Great Britain. At Heathrow airport he was seen off by British Chancellor N. Lamont, Lord Astor, the Queen's representative, R. Braithwaite, British ambassador to the USSR, L. Zamayatin, USSR ambassador to Great Britain, and other officials.

Further on Gorbachev Meetings

WA1907164691

For West European reportage on the visit by President Mikhail Gorbachev to the United Kingdom, including reports on his talks with Prime Minister John Major, MP Margaret Thatcher, and Labor Party leader Neil Kinnock, please see the United Kingdom section of the 19 July West Europe DAILY REPORT and subsequent issues.

UK Minister Favors Joint Aerospace Projects

LD2007092191 Moscow TASS in English 2139 GMT 19 Jul 91

[By correspondent Vladimir Suprun]

[Text] Moscow July 19 TASS—British-Soviet cooperation in the development and implementation of joint aerospace programmes has good prospects, Lord Reay believes. The British Minister of Industry and Science spoke at a press conference held in the British Embassy here today. Lord Reay is here on a week-long visit as head of a delegation of senior executives of ten British aerospace companies.

According to Lord Reay, the purpose of their visit was to familiarise themselves right here, in the USSR, with the potentialities of the Soviet aerospace industry and discuss with the Soviet side ways of developing long-term business relations. Visits by members of the delegation to some leading Soviet design and production centres, which specialise in aerospace technology, and long discussions with specialists working there confirmed, in the opinion of Lord Reay, the assessment by British specialists of that branch of Soviet industry as the best developed and capable of standing competition. He said that in this respect it was a very successful visit.

At the same time, he pointed out that there existed some difficulties in the implementation of cooperation projects, mentioning among them political instability and legal uncertainty in Soviet society, as well as a shortage of currency resources, experienced by the federal government. Technical problems, primarily those connected with the standardization and certification of jointly roduced goods, also create difficulties. This is why the British side is going to lay emphasis on the creation of joint enterprises, which will make it possible to build business relations with their Soviet partners in an optimal way, Lord Reay stressed.

Cooperation To Expand

LD1907215591 Moscow Radio Moscow World Service in English 1600 GMT 19 Jul 91

[Text] The Soviet Union and Britain are planning to widen cooperation in the aerospace industry. The announcement came at a news conference in Moscow today at the end of talks in the Soviet capital by a group of British industrialists led by the Industry and Science Minister Lord Reay. One of the nearest projects provides for launching a British-made satellite from a powerful Soviet aircraft. Britain's Rolls Royce struck a deal on installing its engines on Soviet Aircraft.

Representative to NATO Seminar Interviewed

LD2007095191 Moscow TASS in English 0626 GMT 20 Jul 91

[By correspondent Sergey Simonenko]

[Text] Brussels July 19 TASS—A seminar, organised by the North Atlantic assembly, which unites parliamentarians from NATO member-states, for their counterparts from Eastern Europeam countries, ended here on Friday.

The first-ever such seminar dealt with parliamentary supervision and control over defence policies, military budgets and armed forces.

The three-day seminar was attended by delegations from the Soviet Union, Poland, Czechoslovakia, Romania, and Hungary.

Participants in the seminar studied the practical experience of members of West European parliaments in the elaboration and realisation of defence policy.

Representatives of Portugal, Germany, Denmark, and Britain described in detail the national models and peculiarities of democratic procedures for legislative bodies' monitoring in this field.

Problems existing in the activities of defence committees of the parliaments of eastern european countries as well as the need to extend the powers of such bodies in western countries were frankly discussed.

"We regard this seminar as very useful," Viktor Kucherenko, the leader of the Soviet parliament delegation and chairman of the budgetary, planning and finance commission of the Soviet parliament's Council of the Union, told TASS.

"Firstly, we familiarised ourselves with the practical experience of the activities of our counterparts from NATO countries. We shall undoubtedly utilise in our work all the best things from their parliamentary monitoring systems.

"However, we do not lag behind and are even in the lead in a number of aspects of the process of democratising the legislature's activities. In the discussion and endorsement of defence budget, in particular.

"Secondly, we succeeded in acquainting participants in the forum more closely with our stand in the military-political field, and in dispelling some of their wrong notions concerning a number of problems connected with the Soviet defence doctrine," Kucherenko said.

Supreme Soviet

'Soyuz' Group 'To Fight' Novo-Ogarevo Agreement

PM1807134591 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 2

[Report by G. Shipitko: "'Soyuz' Positions Unchanged"]

[Text] The "Soyuz" Deputies' Group held a press conference 15 July on the results of the debate of the Union Treaty in the USSR Supreme Soviet. The attending journalists, including foreign journalists, were first of all told that it was thanks only to the "Soyuz" group that the parliamentary hearing of the draft Union Treaty had taken place at all. If this hearing had not taken place, neither the deputies nor the people would have ever learned of the "quiet coup" perpetrated not by the military, but by a narrow group of leading persons.

In their opinion, it is—quite naturally—impossible for the Novo-Ogarevo "Nine Plus One" agreement to be recognized as a constitutional act since it denies the existing legislative structure, and, most important of all, does not reflect the people's free expression of will as voiced at the all-union referendum. And, of course, the "Soyuz" group intends to fight it "on the basis of legality and law and order." One of the forms of this battle was determined—the convocation of a Congress of People's Deputies, for which a sufficient number of deputies' signatures have already been collected. At the present time, it was stated, "work with deputies" is continuing, and they intend to collect a qualified majority of deputies' signatures in support of their demand. But should they not manage to uphold their position at the Congress, the "Soyuz" group intends to appeal to the world community.

Soyuz Deputies Discuss Political Platform

LD2107154691

[Editorial Report] Moscow Central Television First Program Network in Russian at 1330 GMT on 21 July carries a 30-minute studio discussion, recorded on 11 July, with Yuriy Vitalyevich Blokhin, Yevgeniy Vladimirovich Kogan, and Anatoliy Georgiyevich Chekhoyev, USSR Supreme Soviet deputies of the Soyuz group; and chaired by Aleksandr Nikolayevich Artsibashev. The subject of discussion is the Soyuz political platform.

The program is prefaced by a statement from the announcer who says that "it is difficult to agree" with "a number of controversial views" expressed by the three guests.

Blokhin starts the discussion by saying that the group's aims are to ensure the preservation of the state and to protect the social rights of citizens as necessary reforms in the economy, the state system, and defense proceed.

Yevgeniy Vladimirovich Kogan says that the Union treaty in its present form is designed to eliminate the state as they know it. Much has been said about democracy, but the Union treaty will trample on the rights of minorities without the right of appeal.

Blokhin says it is a mistake to pretend that the republican presidents can get together and form a union as if such a union did not already exist.

Chekhoyev says that it is a "nonsense" to start with a Union treaty and only then to draw up a constitution. There is already talk of whether a USSR constitution is necessary, and that would mean turning the USSR into a community of states and the USSR president into a wedding-reception general.

Kogan says political ambitions and attempts to grab a piece of the cake locally are doing nothing for people's standard of living.

Blokhin notes that public opinion should not continue to be confused by successive economic programs. If he were president, he would try to ensure that there is action instead of words.

Kogan says that the workers want stability. The "president's entourage and his advisers" are responsible for the idea of the primacy of the indigenous populations in the Baltic region.

Chekhoyev says that reform of the relationship with the republics should have pursued a strategic line, instead of following its current unpredictable course, and there could be endless warring over who has what jurisdiction. Yeltsin's latest statements shows a tone of greater caution. The Soyuz group wants to preserve an integral Russia and an integral Union.

Blokhin says that if the Union is saved, Russia will automatically be saved.

Kogan says that there should be no playing on words: a union of sovereign states would mean the break-up of the union.

Blokhin adds that the new Union treaty contains measures that would compound the process of disintegration. He cites the EEC as an example and says they are integrating, but the Soviets are setting up checkpoints and customs barriers.

Chekhoyev says that it is their duty to preserve Russia's inheritance.

Kogan says that short-term ambitions should not be allowed to squander what their ancestors built.

Chekhoyev says that the aim is to preserve the state, with the USSR Constitution limiting republican sovereignties. There should be a federal budget and a single army and security service.

Kogan says that Soyuz has enough signatures to call an emergency congress to examine the accountability of the president, and they will not flinch from calling such a congress.

Blokhin finishes the discussion by urging viewers to buy the newspaper POLITIKA.

Military Service Law Provisions Viewed

PM2107184391 Moscow KRASNAYA ZVEZDA in Russian 19 Jul 91 First Edition p 1

[Interview with Lieutenant Colonel Yu. Sychev, member of the USSR Supreme Soviet Committee for Defense and State Security Questions, by TASS correspondent S. Ostanin; date and place not specified; first paragraph is introduction: "Will Students Serve? Draft USSR Law 'On Universal Military Obligation and Military Service' Under Preparation"]

[Text] A commission to finalize the draft USSR Law "On Universal Military Obligation and Military Service" has been set up at the USSR Supreme Soviet Committee for Defense and State Security Questions; the commission is, in particular, to decide students' obligations as regards military service. Lieutenant Colonel Yu. Sychev, member of the committee, told TASS correspondent S. Ostanin about the commission's work:

[Sychev] The USSR Defense Ministry has been the main compiler of the draft. Our committee, which set up a special commission to finalize the draft, was also brought in to speed up the preparation and adoption of the draft law. But the bulk of our work lies ahead—after the USSR Cabinet of Ministers has examined the draft and a session of the USSR Supreme Soviet has discussed it at first reading. It is hard to tell when that will be. The adoption of the draft law does, after all, in many respects depend on when the Union treaty is signed and in what form. I can only talk about possible variants, working elements, and various viewpoints now.

The draft primarily reflects statewide rather than narrow departmental interests. We are proceeding on the premise that the country's defense is among the state's most important functions, and defending the fatherland is the sacred duty of every citizen of the USSR. The draft law regards universal military service obligation as the constitutional duty of citizens of the USSR. It is affirmed with a view to ensuring manpower acquisition by the USSR Armed Forces, USSR KGB troops and organs, USSR Ministry of Internal Affairs Internal Troops, Railroad Troops, USSR Civil Defense troops, and other troop formations set up in accordance with USSR legislation, as well as to preparing the population to defend their homeland.

At the same time it reflects the interests of the defense department. One is now conscious of undermanning in the Army due to the demographic situation and the increase in draft deferments. There is a great need for the troops to be reinforced with competent enlisted men. What is more, the USSR Supreme Soviet Committee for Defense and State Security Questions receives hundreds of letters from citizens concerned at the decline in the Army's intellectual level, the fact that students are becoming a kind of privileged caste, and the Army is becoming a peasant-proletarian army. One is bound to take this into consideration when formulating the draft.

That is why the question of how far a student should be considered liable to military service obligation is also topical. The draft law looks as follows. Article 14—"Draft Age. Drafting of Citizens for Compulsory Military Service"—does not list students among those exempted of the draft in peacetime. Article 16—"Deferment from the Draft"—makes provision for the following grounds for exemption: Family situation, state of health, in order to continue education, and in connection with deputy's activity. It is indicated that deferment in order to continue education is granted to draftees studying at educational establishments with juridical status, including evening and correspondence courses, in order to obtain secondary or specialized secondary education, but not over the age of 20, if they lacked a secondary education before entering these educational establishments. In other words, draftees are given an opportunity to graduate from technical schools, vocational and technical schools, and secondary schools, including evening schools. Lastly, Article 17—"Exemption from Drafting for Compulsory Military Service"—does not mention students at higher educational establishments as exempt from service either.

Thus, the draft law makes no provision for deferment and exemption from the draft for students. I would add that Article 7—"Preparation of Predraftees and Draftees for Military Service"—makes provision for military training in military-technical specialized fields for students (cadets) at higher educational establishments.

The draft USSR Law "On Universal Military Service Obligation and Military Service" is to be submitted by 20 July for further examination by the USSR Cabinet of Ministers, which will send it to the USSR Supreme Soviet after the appropriate finishing touches. I want to particularly stress that the USSR Cabinet of Ministers has the right to radically rework the proposed draft law.

Political & Social

Chita Obkom First Secretary Assails Gorbachev

PM1907153791 Moscow RABOCHAYA TRIBUNA in Russian 19 Jul 91 pp 1, 2

[Report by correspondent Lev Rumyantsev incorporating comments by N. Merzlikin, first secretary of Chita RSFSR Communist Party Obkom: "Wasted Ardor. Monologue in a Quiet Office Beneath a Portrait of M.S. Gorbachev"]

[Text] Chita—"We must categorically dissociate ourselves from Gorbachev's antipeople policy. The CPSU must deny Gorbachev its political confidence! He is not entitled to describe himself as a Communist when he has made the party his hostage..."

I was hearing these scathing remarks not out on a square, where they would certainly "fire up" the crowd. The monologue was being delivered in the quiet of a spacious, carpeted, comfortably furnished office in a high-rise building in the center of the city. My interlocutor was N. Merzlikin, first secretary of Chita RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Obkom [Oblast Committee].

[Merzlikin] "Gorbachev bears personal responsibility for the sharp deterioration in working people's lives. So can we continue to entrust him with the leadership of the party and the country? I think not."

FROM MY NOTEPAD. Nikolay Vladimirovich is one of the "new wave" of party workers. He is about 40 years old. He worked as an engineer in Krasnokamensk— until recently a closed city—at a mining and chemical (uranium) combine, then as deputy secretary of the enterprise party committee and first secretary of the CPSU Gorkom [City Committee]. He spent three years as a party adviser in Afghanistan. He graduated from the CPSU Central Committee Academy of Social Sciences, then returned to Chita Obkom. In November of last year, in a move that came as a surprise to many Communists, he was elected first secretary. He has clearly not had time (or was he and is he simply reluctant?) to realize his own personal responsibility for the situation in the oblast party organization and for matters in the oblast...

[Merzlikin] "Unfortunately, our forces are disunited. As you recall, we first secretaries were elected in two rounds—before and after the 28th CPSU Congress. Clearly some people wanted to retain the former obliging cadres. Anyhow, even among the 'new wave' there are people who retire into their shell at the first opportunity."

FROM MY NOTEPAD. The Chita leader is one of those who "does not retire" into his shell. He was a signatory of the recent appeal by 11 first secretaries of party republic committees, kray committees, and oblast committees in the Siberian region claiming that "leadership of the party and the state is exercised by a narrow group of people which ignores the USSR Constitution and laws." N. Merzlikin proclaimed his implacable position in a lengthy interview in ZABAYKALSKIY RABOCHIY [Trans-Baykal Worker], the oblast newspaper, published under the headline "The Party Must Deny M.S. Gorbachev Political Confidence." In the interview he says: "The party must resolutely dissociate itself from those who are surreptitiously turning it into a party of shadow economy operators, mafiosi, and politicos who are in their service. That is what I am pressing for." The Chita Communists' young leader was a bit late in issuing his call, and for reasons known to himself alone was saying nothing about this even quite recently. When the elite party mafia of Brezhnev and his kind were feasting and selling the country and its wealth down the river, not forgetting their own personal interests. Back then he did not call on people to "resolutely dissociate themselves" from those who had turned the CPSU into a party that was a burden on the people.

It was others who did that.

The party obkom first secretary's summons to attack was immediately picked up. A day or two later the paper published a seemingly commonplace piece about how "Gorbachevskaya" Station (named for the famous Decembrist) on the Chita section of the Baykal-Amur Railroad has been given back the old name of "Kuanda." But the headline was bang on target, so to speak: "No Gorbachevites in the North."

[Merzlikin] "Gorbachev's policy has reduced the Union to collapse and its economy to disaster. An all-union Khitrov market is being foisted upon us, and there, as is well known, a single principle held sway: If you don't deceive people, you won't sell anything. People can call me a conservative if they like, but nobody wants a democracy where the people can neither be shod nor fed."

FROM MY NOTEPAD. Talk, talk... In the rayon center of Chara I saw fliers from the local airline snap up a dozen loaves of bread to take home: There are interruptions in supply in the oblast center. There is a food shortage in the trans-Baykal region, and the oblast has faltered severely in recent years. This year too there is no hope: The livestock population has declined still further. Less potatoes and vegetables have been planted than last year.

People in Chita spent three years seeking the status of free economic zone. At last they achieved it. And what happened? Unfortunately they lost their ardor and wish (if these had ever existed) to work for the future, in the new way. So are Gorbachev and Moscow and their inaction to blame for this?

[Merzlikin] "Workers and peasants in the oblast will soon go on strike because of the shortage of tobacco. At the end of July, when the mass harvesting of berries begins and people have to prepare jams and preserves for the winter, they may string us leaders up by the feet because of the lack of sugar."

FROM MY NOTEPAD. For several years trans-Baykal timber and other resources have been transported by the trainload to neighboring China and Japan. And what do we get in return? Instead of food, sugar, tobacco, and medicines, the local leaders acquire via barter—mostly for the bosses—prestigious Toyotas and Sharps. Of course, it is easier to proclaim to the whole country in the press that a famine has started in the trans-Baykal region and to threaten to stop freight cars carrying food on the Trans-Siberian Railroad and to unload them without authorization than to really do something about your once-rich trans-Baykal countryside, which used to feed the Far East region.

[Merzlikin] "It is well known that it was Andropov who began the changes in the country. It was an easier job to

continue them. If Gorbachev had not emerged, it would have been someone else. Perestroyka was objectively needed. The direction that it has taken is a different matter. As far as I am concerned, I very consciously joined a party of workers and peasants. When the policy of this party's leadership begins to diverge from the interests of workers and peasants, I cannot remain silent. The CPSU leader puts the interests of hired workers not even in second place, but somewhere further back... A crazy market where everything is available for a bribe. They swear loyalty to the people's interests and maintain that there is no alternative to unemployment and inflation. How simple everything is for that guy Flyarkovskiy from Russian Television's 'Vesti' program: Ten or 12 million unemployed are nothing to Russia. I am against social injustice."

FROM MY NOTEPAD. There is no threat of unemployment in Chita Oblast. To see that for yourself, you need only open any of the 35 newspapers published here, which are full of advertisements for jobs at wages that would have been inconceivable only six months ago. But "you feel sorry for the country."

[Merzlikin] "In short, millions of working people will have to pay for this policy with unemployment and poverty. And once again our party is being blamed for this. Although we Communists are telling people the truth about what lies in store for them."

FROM MY NOTEPAD. Indeed, leaders at various levels are saying a great deal. Even a very great deal: about disasters, catastrophes, chaos, and stupid policies. While the people are putting up with everything and simply waiting: When are they going to stop talking and start working?! Communists are continuing to leave the CPSU in the Chita oblast party organization. In the last six months over 2,000 people have surrendered their party cards. Certain rayon organizations are heading for self-elimination. Receipts of membership dues from those who are still formally in the party are declining, so the obkom and raykom apparatuses are faced with further reductions. There is no money to maintain rayon newspapers, and the fate of the oblast party publication is in jeopardy. Real links and mutual understanding with primary organizations are increasingly being lost. The obkom's prestige in the eyes of the oblast's population is declining because of the lack of any appreciable action. But I can tell that it is not this that concerns my interlocutor. He is bothered about other problems.

[Merzlikin] "Strong leaders are needed in party work. We lost to Yeltsin because we were forced to support the unpopular Ryzhkov. And, let us be blunt, our Ivan Kuzmich Polozkov cuts a sorry figure. Recently he was bluntly told: For the good of the Russian Communist Party you should quit the post of first secretary. We need a new, more attractive leader. But Ivan Kuzmich stubbornly refused to go...

"In general, I can tell you that difficult, troubled times lie ahead. There will also be a struggle at the next CPSU Central Committee plenum. It is two years since I have been on leave, and I am not going to go on leave even now. We must be resolute, to ensure that everybody sees the light," my interlocutor concluded. And I left him to muster his strength.

IS THERE ANY NEED FOR COMMENT? In my view, it is superfluous. The position of N. Merzlikin, who represents the views of a certain group of party leaders, is set out clearly and unambiguously enough.

Just one detail. A portrait of M.S. Gorbachev hung in the spacious office where we talked. I think that people in some offices have been unforgivably quick and ungrateful in forgetting what they owe to this man. But they have not removed his portraits... Just in case? Because, just you see, "ordinary" Communists will come there and say that they too are not going to remain silent. And they will ask the occupants of the spacious offices: You "fighters," what have you yourselves done for the party, for the people, and for perestroyka? Apart from call on people to turn back?

Shevardnadze Appeals for Unity Among Reformers

LD2107214791 Moscow Central Television First Program Network in Russian 2108 GMT 21 Jul 91

[From the "Television News Service" program]

[Text] Eduard Shevardnadze has appealed to all supporters of reforms to give up their personal grievances and ambitions and to unite. The country is threatened with famine and the unrestrained rise of inflation, poverty, and unemployment lie ahead. And all of that may lead, very possibly, to a fascist dictatorship. This is what Moscow's Mayor Gavriil Popov stated at a meeting with representatives of Democratic Russia.

Shevardnadze Launches Book's Russian Publication

PM1907131591 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jul 91 p 1

[Report by RIA Correspondent Yuriy Petrovskiy under the "Presentation" rubric: "'My Choice': Uphold and Defend the New Thinking"]

[Text] "I want to be absolutely frank with you. This is what I fear most. Social tension is rising, the standard of living is dropping. What guarantees can there be that a sizeable section of society will not take to the streets and support potential dictators? And there are many of them..." said Eduard Shevardnadze at the launch of his book "My Choice," [Moy Vybor], recently published by the NOVOSTI Publishing House. And he went on: "On the one hand this threat has diminished, evidence of that is provided by the results of recent elections. But on the other hand, reactionary forces may also unite, they have better organized structures."

As we can see, the launch provided a good opportunity for one of the leaders of the newly formed Movement for

Democratic Reforms, until recently foreign minister, an eminent Communist and statesman from the times of stagnation, and a comrade in arms of Gorbachev's, to express his views on a number of topical problems. He was giving a press conference for Soviet and foreign journalists. It was attended by Russian Vice President Aleksandr Rutskoy, Academician Georgiy Arbatov, and other major politicians as well as the heads of several foreign missions.

"In the initial stage of perestroyka and the creation of the rule-of-law state," Shevardnadze said, "we did not show due concern for the formation of a constructive and intelligent opposition. This was a serious omission on our part." The former member of the CPSU Central Committee began forming such an opposition four years late, on his own admission, and became a leader of the Movement for Democratic Reforms. At the press conference he noted: At the moment it is not certain what it will be—a broad movement, a political party, or a hybrid of the two. The decision will be made by a congress. Admittedly, in the face of a threat from the right, Shevardnadze, who did not want a party investigation of himself and who resigned from the CPSU, does not shirk cooperation with the existing (clearly "unconstructive and unintelligent") opposition and the democratic movement, which has gathered momentum. "I very much believe," the vice minister [as published] stressed, "that we will all succeed, through joint efforts by all citizens, in resolving the main task of the transitional period—to unite the democrats and reformers and prevent the worst, the most terrible thing that could happen—chaos and anarchy. Our president was right when he said that out of chaos and anarchy comes the most dangerous thing—dictatorship." At the same time, Shevardnadze denied that there is an agreed plan or program between Gorbachev and the leaders of the Movement for Democratic Reforms.

During the press conference, the author of the book "My Choice" touched on various topics. For example, on the problem of "Georgia and the new thinking," he noted: "They have elected their lawful parliament and president. And even if it is said that human rights are being violated, that the rights of nations, the peoples, and so forth are being violated, we are still dealing with a lawfully elected president and parliament."

On the disappearance of the GDR, Shevardnadze answered a question with a question: "How was it possible to stop the process of German unification when the whole people essentially took to the streets? Peaceful demonstrations could soon have developed into unpeaceful ones." To be frank, the former foreign minister admitted that there was no third option: Either make the decision (and very quickly, furthermore—within six or seven months) which meets the interests of Europe and the Soviet Union, or else war...

In conclusion, mention must be made of the book on display at the launch. "By tradition" it has already been published abroad—in the FRG and France—and has been "hailed as the best political book of the year and the most significant book by a Soviet author," and it is being prepared for publication in the United States, Britain, Japan, and other countries. Clearly it is felt that the home reader's turn has come. Of course, "My Choice" deals with the most important political events of recent years—the easing of East-West confrontation, the adjustment of Soviet-U.S. relations, the withdrawal of the troops from Afghanistan, the reunification of Germany, the Iraqi crisis, and so forth. But it has other aspects, too. "It may seem to the reader, perhaps," Eduard Shevardnadze noted at the launch, "that a very large part of the book is given over to autobiography. That is indeed so and was done deliberately." The author has tried to analyze all the stages in the development of our society, beginning with the fifties, in terms of personal experience, impression, and observation and to show, from his own example, how Soviet man was transformed, adapted, and restructured. To show, in Shevardnadze's words, how we arrived at perestroyka and how we began it even before April 1985. And still his aim is to uphold, defend, and promote as much as possible the development of the principles of the new thinking.

Shevardnadze, Popov Appeal to Democratic Group

LD2007200391 Moscow Russian Television Network in Russian 1700 GMT 20 Jul 91

[Recorded report by reporter Rybin from the "Vesti" newscast]

[Text] [Rybin] The backbone of the old system has not yet been crushed. The democratic movement of the old system has not yet been crushed. The democratic movement is in crisis. This is what Gavriil Popov said today at a meeting of representatives of the Democratic Russia Movement. Famine threatens the country. There will be a shortfall of one-third in this year's harvest. Inflation and unemployment will rocket and people will become increasingly poorer. It is very possible that all this could lead to fascist dictatorship.

Eduard Shevardnadze and Gavriil Popov have arrived here to make a proposal on behalf of the Movement for Democratic Reform that personal hostilities and ambitions should be abandoned and all should unite. [video shows conference hall, followed by a shot of Popov and Shevardnadze being interviewed while sitting in the hall during a break] In their view, a centrist party is necessary inside the Democratic Russia Movement.

[Popov] What is at issue is a parliamentary party, which, having taken over power, can operate as a ruling party.

[Shevardnadze] At this stage we must unite for the sake of rescuing democracy.

[Rybin] The question is: What party, if it is formed for two or three years from the democrats and the forces that realize, at least out of self-preservation, the need for reform, could finally destroy the CPSU's monopoly of power and the CPSU itself, complete democratic

reforms, and create a new, viable power structure? Will the democrats respond to this appeal? Many loath the idea of party discipline and oppose any idea of cooperation with communists, even if the latter are in favor of reform.

TASS Cites Shevardnadze, Popov

LD2007225791 Moscow TASS in English 1926 GMT 20 Jul 91

[Text] Moscow July 20 TASS—"The backbone of the old system has not been broken, the democratic movement is living through a crisis," mayor of Moscow Gavriil Popov said today, expressing his concern over the political situation in the country.

Speaking at a meeting of representatives of the Democratic Russia Movement, of which he is one of the leaders, he made a gloomy forecast: "The country is facing the threat of hunger. We may lose one-third of the crop. We shall live through unrestrained inflation, impoverishment and unemployment. All this creates a real threat of fascist dictatorship."

Gavriil Popov and Eduard Shevardnadze, former foreign minister who resigned from the Communist Party, suggested on behalf of the recently created Movement for Democratic Reforms that all reform supporters should "give up personal grievances and ambitions and should unite." They believe that a centrist party inside the Democratic Russia Movement is needed.

"This should be a parliamentary party, which climbs to power and then puts it to use," Popov said in an interview with the Russian TV programme Vesti.

"On the present stage we should unite for the sake of saving democracy," Shevardnadze added. Last year, when announcing his resignation from the post of minister, he spoke about "the offensive of dictatorship."

Democratic Reforms Movement Names Council

LD1907153191 Moscow Radio Rossii Network in Russian 1350 GMT 19 Jul 91

[Text] A joint session of the council and the organizational committee of the Democratic Reforms Movement took place in Moscow. The results of preparatory work for organizing the movement's constituent congress in September were summarized. It was announced that more than 10,000 messages of support had been received by the organizational committee from citizens and collectives of all republics. The INTERFAX news agency reports that (Mikhail Menasbekyan), chairman of the coordination committee of the Soglasiye [Accord] association of groups of USSR people's deputies, numbering more than 1,300 deputies, as well as Eduard Sagalayev, chairman of the council from the USSR Union of Journalists, Pavel Bunich, chairman of the USSR union of leaseholders and entrepreneurs, and playwright Mikhail Shatrov were included in the movement's council at the session Academician Stanislav Shatalin confirmed his membership in the movement's council. Moscow Mayor Gavriil Popov did not attend the session due to illness and Leningrad Mayor Anatoliy Sobchak could not come as he is very busy. At Nikolay Travkin's initiative the issue of whether the movement should be transformed into a party was discussed. However, party representatives spoke in favor of preserving the existing organizational form of the movement.

Moscow CPSU Leader Predicts Split in Party

LD1907224191 Moscow Central Television First Program Network in Russian 1800 GMT 19 Jul 91

[From the "Vremya" newscast]

[Text] A news conference on 19 July by Prokofyev, first secretary of the Moscow city CPSU committee, was devoted to the results of the joint plenum of the Moscow City CPSU Committee and the Control Commission of the city's party organization. The capital's party organization found it necessary to define their stance on the eve of the forthcoming plenum of the CPSU Central Committee. In the view of the leadership of the Moscow communists, issues connected with the preparation of the CPSU program and the calling of an extraordinary session of the party should be at the center of attention at the July plenum. The highest forum for communists should examine the issue of the reregistration of CPSU members. A split in the CPSU is unavoidable, since under the conditions of a single party system, all the politically active citizens in the country entered the party, in Prokofyev's view.

After the Congress, only those who agree with the aims and tasks of the new program should remain in the party.

Prokofyev Urges Party Congress Review of Rules

LD2007023991 Moscow All-Union Radio Mayak Network in Russian 0030 GMT 20 Jul 91

[Excerpts] On the 19 July, a news conference was held by Yuriy Prokofyev, CPSU Politburo member and first secretary of the Moscow City Party Committee, for Soviet and foreign journalists on the results of the joint plenum of the Moscow City Party Committee and the city control commission. Here is a recording.

[Begin Prokofyev recording] [passage omitted] If we are to talk about the party, then there is a very uneasy situation in it. There are various currents, currents which in principle have a place in any political organization, they prevent them from stagnation. But, now extremes have come about, from those party members who suppose that the capitalization of our society is necessary, to those who think that a return to virtually the period of the Stalin dictatorship in our country is necessary. The split is now painfully large, and, of course, such a party cannot be united. For this reason, the plenum examined various possibilities for the further development of events, and most importantly, in its political statement the plenum adopted the decision on the necessity of

holding a party congress no later than November this year, at which it is necessary to adopt a program, make changes to the party rules and examine issues connected to the party leadership, including the ruling structures. At the moment we have a fairly complicated structure—an elected Politburo, an elected secretariat, and, as you know, usually the child with seven nurses is left unsupervised. This is what sometimes happens in the party with its large number of ruling bodies—the Politburo, the Central Committee and the Secretariat. [passage omitted] [end recording]

PRAVDA Sees Danger in CPSU Congress

PM1907221591 Moscow PRAVDA in Russian 20 Jul 91 Second Edition p 2

[Aleksandr Ilin "Pertinent Opinion": "On the CPSU Central Committee Plenum. 'Hold a Congress?!'"]

[Text] Chess commentators put an exclamation mark after a successful move by the Grand Master and a question mark after a bad move. If the consequences of an unexpected move are unclear—they may result in advantage or defeat—two punctuation marks are used at once—an exclamation mark and a question mark. The order depends on the outcome of the game, which is, generally, already known.

It is harder to comment on tactical moves when it is a question not of a game but of a political party's actions. Especially if the battle is only just beginning and no one can tell how it will end...

One demand has been heard with increasing frequency of late at plenums and party meetings: "Hold a (routine, extraordinary, emergency) congress." Many Communists—PRAVDA readers—have suggested this to the editorial office in the belief that the party cannot solve its problems without another congress. How are we to assess these demands; what punctuation mark are we to use? On the one hand, it all seems comprehensible: The CPSU is experiencing a crisis, and a collective conference of Communists empowered to adopt radical decisions is indeed essential. The draft of a new party Program has to be examined and changes have to be made to the rules. There is dissent within the party, along with different currents, platforms, and positions. A host of complaints have accumulated regarding various party structures and their specific leaders. Many Communists do not have a very clear understanding of the stance held by the center, who espouses and who corroborates it. Which way does the silent majority lean? Former party leaders and those who have made their presence felt again have made their intentions public—to set up the Movement of Democratic Reforms...

This must all be investigated and we must realize what is good, what is bad, and who's who. Especially since every movement, current, and platform is increasingly advertising the rightness of its cause. The "Communists for Democracy" have already embarked on creating a new—at present, admittedly, Russian—party and are about to hold its constituent conference. The Movement of Communist Initiative has, it seems, entered into permanent "congress mode"—it rallies its supporters first for one and then the next "phase." In Minsk the new "Bolshevik Platform within the CPSU" stated its claim to be the true devotee of socialism and communism and its right to the Marxist-Leninist legacy. We are put on our guard by the centrifugal aspirations of some republic communist party leaders to stress these organizations' independence—we can remember the consequences of similar trends in the Baltic... Who doesn't become giddy in that situation?

On the other hand, the question arises: In these conditions how justified are the hopes that a congress and a congress alone will sort everyone out and solve everything? Last year a succession of party forums followed one after the other—first republic (some in two or even three stages), then an all-Union forum that lasted 10 turbulent days. Countless things were said and a host of resolutions, decisions, and statements adopted after trenchant debate. Well, did it prove possible to halt the decline in the party's prestige, rally its ranks, or even curb the exodus from the CPSU for various reasons not entirely clear? The answer to that is well-known.

How many arguments were there, for instance, about the attitude toward the market, about private ownership, and decisions—extremely good ones—were adopted by an overwhelming majority, so to speak. But those people who protested at the congress over the transition to market relations in the economy are still protesting now, unable to waive their principles. "Marketeers" [rynochniki], on the other hand, proclaimed the attitude to economic reform to be a criterion of democracy: A democrat and reformer favors the market, a conservative and a reactionary opposes it. Their opponents are not giving up either, demanding punishment for those people who are criminally (as if this were now in demand) impelling the people, through their passion for the market, into the abyss of poverty.

When you hear or read scathing mutual accusations, you think: If only this bubbling energy were used for the good of the people, who expect action, not words from the largest political party. It is stupid to resist recognition of the market when a planned, supercentralized, bureaucratized economy is quite unable to feed the people and provide them with a decent standard of living. But is it wise either to see the market as the latest panacea for all ills, presenting the means as the end? Isn't it better to pool the combatant sides' efforts and knowledge in order, without rowing against the tide, to prevent barbaric forms of the market invading us (and they are already high-handedly advancing on us) along with the loss of our socialist gains and the blatant stratification of society into rich and poor. The efforts of a party that has both the requisite potential provided by experience and knowledge, along with fairly adequate organizational structures and extensive representation in state and economic organs, for this kind of **practical work** should

be focused on securing the correct—for man and society—combination of economic effectiveness (the market will come in useful here!) and reliable social protection for citizens.

WE ARE ALL WAITING for the draft of the new CPSU Program, and that is quite understandable. Many people, familiar with the variants of the draft, have already adopted in advance the extremely cozy position of detached criticism: They say that some things are not set out clearly, this is not reflected, we cannot agree with that conclusion... Diametrically opposed, sometimes mutually exclusive opinions have been voiced during discussions both on the Program Commission and at meetings of Central Committee members. Needless to say, virtually everyone has admitted that it is scarcely possible to produce the kind of program that would suit everyone and reconcile everyone at once. You cannot avoid shortcomings in the draft. The draft is therefore a draft intended for **further collective work**, finalization, and polishing so that agreement can be reached in the course of that work on the **main idea and principles that unite Communists within the party** and without which it would cease to exist as such. Some people will certainly be unable to agree with everything and will insist on their interpretation of a particular problem. That is natural. There is just no point in rejecting everything from the outset in the belief that your opinion alone is correct and that others are utterly mistaken. The ability to hear one another out, weigh up and understand the arguments vouchsafed by people who think differently and take a different approach to the question is a most valuable quality. It is also because it is valuable that it is in acute short supply in our country today.

Lenin wrote once that one practical step that makes it possible to secure a concrete result is more important than a dozen programs. He sarcastically mocked those Communists who are prepared "at any time of the day or night to write 'theses,' advance 'slogans,' and present bare abstractions." He called for: "more knowledge of the facts and less verbiage claiming Communist principle." It is not very usual now to cite the classical scholars, but it was, after all, ostensibly written specially for us and about us!

I was struck recently at a plenum of the capital's city party committee by the stormy response with which the audience reacted to "theses" and "abstractions" in some speakers' speeches and how, on the contrary, they "interrupted" and "drowned out" a few speakers who tried to talk about their experience of practical action. Not particularly notorious actions—actions on a residential district scale—but successful, concrete actions even so. Given our current passion for putting every problem on a "global scale," when we engage in criticism the object of that criticism is never less than the Politburo or the general secretary and experience of practical action seems to have totally ceased to be of interest to us. Yet it is from fragments of this experience that the party's influence over its compatriots and its prestige has developed. If we could accumulate that kind of experience in time for a congress, study it properly, and put it to work, as we loved to say quite recently, we could achieve a great deal.

Some people are asking for the congress to be declared an extraordinary congress without fail or, even better, an emergency congress, insisting on strict accountability from leaders who have "proved incapable," who have "not safeguarded," who have "misled the party and the country," and so on and so forth. Accountability is, indisputably, essential, above all from leaders. I just don't understand why everything should be an "emergency" without fail—ordinary matters for which the Rules and other partywide decisions make provision. Why, for instance, do we wait for the "dacha privatization" saga to develop into a grand scandal and spread around all the newspapers and only then ask for material on the official "privatizers," who have once again caused the party's name to be bandied about? I remember the following rightly being said of the control commissions at a previous congress: They represent our faculties of party ethics. Success in teaching this "core subject" is somehow not very marked—perhaps, both pupils and teachers lack application? Yet it is extremely necessary for an atmosphere of party fellowship, honesty, and principle to be created in relations among Communists along with implacability toward Communist arrogance and bureaucracy.

Our party is currently going through a DIFFICULT, critical period. Each step it takes, each segment of history is closely watched by millions and millions of eyes. Some people analyze the past and the present with pain in their hearts and try to understand the reasons for the party's long-standing and current troubles and defeats and help restore people's trust. Others, on the contrary, put salt on the wounds and doggedly try to prove the untenability of the Communist Party's ideas and ideals, its organic incapability of renewal.

I won't try to prove whose stance is the more honorable—that's fairly obvious. But there is hardly any point in hoping for leniency from one's political adversaries, particularly those who are assiduously earning a daily crust by obsequiously accommodating themselves to new employers. You cannot help but see them gathering forces, preparing for the coming elections—not yet announced—as if for an undeclared but harsh, implacable war. Like frenzied fighters they are clearly not shy about their choice of means. Mocking the principle of "revolutionary expediency" to their heart's content—a principle current among Bolsheviks—they are stealthily introducing another principle into the consciousness of Joe Public: **Anything profitable is democratic.** Profitable for the democrats themselves, needless to say.

Their publicists recently, for instance, championed abolition of the residence permit, seeing it as a throwback to serfdom, whereas the capital's new authorities are now raking in big bucks for residence permits and even intend to auction off this right. (Given the chaos in our country and the rise in crime, their previous demands

smacked of wild irresponsibility, but the planned auctions by no means reconciles us with world civilization either). A year or two ago there were loud protests at the danger of the Union president's usurping power, whereas now the pioneering mayors are talking about the unlimited powers that they are supposedly given once elected by the people. They waged (and are still waging) an offensive on primary CPSU organizations in labor collectives, the Army, the KGB, and in the state service and are themselves today organizing the creation of a new party. Well, are they really about to quit their posts in the organs of management? Of course not. But all means are good in political struggle.

These are the people with whom our party has to deal today; it is, moreover, these people who have forced it into opposition. It's a good thing if the preparations for a partywide conference or congress also provide impetus for us to gather forces and settle disagreements, and for democratic renewal. That is what most Communists expect above all.

We recall that it was none other than our party itself that initiated the democratic changes. The party itself was the first to speak about the democratic and tragic lessons to be learned from its history. The ability to criticize and remold oneself has from time immemorial been a sign of real dignity, honor, and faith in one's powers. It is now time to back up cleansing criticism with Communists' ability to act in people's interests every day, every hour, and—and this is the main thing—competently and constructively!

It is from these positions that I would like to urge my party comrades to consider the demands being loudly voiced today: "Hold a Congress"! To ensure that "volunteer" commentators don't try to make assessments and don't guess what punctuation mark to put after our "move."

Aliyev Statement on Resignation From CPSU

OW2207045391 Moscow INTERFAX in English 1230 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Ex-Politburo member of the Soviet Communist Party Central Committee Geydar Aliyev requested the INTERFAX NEWS AGENCY to publish his statement to the USSR Cabinet of Ministers on his withdrawal from the Communist Party. Following is the text of the document:

TO THE PARTY OGANISATION OF THE USSR COUNCIL OF MINISTERS

This is to inform you that I have decided to withdraw from the Communist Party of the Soviet Union.

I desire to warn right away that this step is the consequence of my difficult personal history of disillusionment and the reappraisal of values that has been taking place during recent years, not simply a step taken "to suit the latest trends".

The basic causes that have prompted me to take this step are as follows:

One, I first considered leaving the CPSU back on January 20, 1990, after the central political leadership and Azerbaijan's Communist Party Central Committee conducted an armed aggression against the Azeri people. The January crackdown killed or injured hundreds of innocent civilians, including old people, women and children.

Having denounced this anti-humanitarian, anti-constitutional and illegal act in my utterances, I hoped that the CPSU Central Committee and the Azerbaijani Communist Party Central Committee would expose this crime and its culprits. Managing, with a great effort, to hold my emotions in check, I waited patiently. But the response was a massive smear campaign against me by the party press that was initiated by the newspaper PRAVDA. All attempts to present my case and refute the falsehoods against me in the same mass media were fruitless. Glasnost touted as perestroika's chief accomplishment in practice proved one-sided.

Azerbaijan's communist leadership are making it a point to dismiss repeated appeals by people's deputies, the Supreme Mejlis of the Nakhichevan Autonomous Republic, various citizen groups and prominent intellectuals who clamour to have the culprits of the January tragedy exposed and punished.

A year and a half has passed. Nothing has been done to unravel this monstrous crime even though those to blame for it have long been known; quite on the contrary, every effort is being taken to cover it up on the assumption that with time, the tragedy will be forgotten. However, history has proved more than once that murderous crimes against own people cannot be forgotten or forgiven with the passage of years or decades.

Two. The centre's hypocritical policies have for over three years already been fuelling a heated conflict in Azerbaijan's Nagorno-Karabakh Region that was triggered by Armenian nationalists under the CPSU Central Committee's patronage. In actual fact, this region has been withdrawn from Azerbaijan's authority.

In defiance of the constitution, Azerbaijan's state sovereignty and territorial integrity gave been trampled underfoot. An undeclared war is being waged between Armenia and Azerbaijian that takes a toll in human lives nearly every day. And all of this is taking place in the Soviet country with its "humanitarian" ideology.

I am convinced that if the party leaders had wished so, the ethnic conflict that flared up over the so-called Nagorno-Karabakh issue back in 1987-1988 could have

been nipped in the bud, preventing an escalation of confrontation and bloodshed that brought severe privations and suffering on both the Azeris and the Armenians. Hence the political centre needed this conflict.

Three. While society becomes increasingly democratic and political freedoms and pluralism have been proclaimed, Azerbaijan's Communist Party Central Committee, acting on instructions from the CPSU Central Committee, has been out to stifle the broad democratic movement that began in Azerbaijan in 1988 to defend the republic's territorial integrity adn democratize society. There have been numerous purges for political reasons over these years.

For 1.5 years Azerbaijan's 2-mln [million], capital has been living under a state of emergency, which is absolutely unjustifiable. It was under this state that the republic held its so-called "democratic election" to the republican Supreme Soviet and a referendum that, as had been known beforehand, had to vote in favour of the maintenance of the Union. It would be naive to believe that one can hope for a democracy or the expression of popular free will under a state of emergency. Democratic organisations have repeatedly asserted that the overwhelming majority of the republic's population did not vote in the referendum and that its results were falsified. However, Azerbaijan's communist leadership did not deem it necessary as much as to consider these statements.

I opposed and oppose the new Union treaty that the centre has been forcing /on the republics/. [slantlines as received] Several states cannot be sovereign if they are parts of another sovereign state, with all the ensuing consequences for freedoms, powers and functions.

All Union republics should be given genuine political and economic freedom and autonomy to assure the rebirth of their nationhood and statehood. This is no obstacle to economic integration and traditional cultural ties between the republics and, quite on the contrary, this will help improve and develop them on a bilateral and multilateral basis.

Being a people's deputy of Azerbaijan and the Nakhichevan Autonomous Republic, I have repeatedly raised these issues, suggested that the Communist Party of Azerbaijan, absolutely discredited with the masses, give up its monopoly of power, set the stage for unfettered and equitable activities of all political forces, provide for the formation of a democratic society, political pluralism and unrestricted glasnost.

But Azerbaijan's communist leadership brushes away all these statements and my proposals; and in fact, all they lead to is a backlash in the form of new organized and coordinated attacks on me. Newspaper editors and journalists are dismissed or harassed for the publication of my statements in Azerbaijan.

The above made me take an extreme step and announce my withdrawal from the CPSU though I found it very hard to get the resolve for this step. I grew up in a communist family and all my grown life has been connected with the Communist Party. I joined the Bolshevik Party in 1943 when I was 20.

I believed whole-heartedly in the ideals of the Communist Party and took an active part getting its plans fulfilled. By now, this faith has been shattered.

The endless protestations about the party being rejuvenated and about the Union of the Republics being rejuvenated is just another attempt to deceive the people.

It is necessary to tell the masses openly and honestly that the communist experiment and the choice of socialism as a state system have not proved themselves in our country and that the Union of the Republics that was created and spported by brute force has outlived its usefulness.

I have a good idea of the problems that I will face following this statement; I foresee all manner of attacks and denigration. To embrace the views I have stated above, I drew on a sober analysis of the road the party has covered. I am also aware of my own responsibility.

Withdrawing from the ranks of the CPSU, I express my respect for all honest and decent communists who still have hope and faith.

[Signed] Geydar Aliyev

[Dated] July 19, 1991

[Issued in] C. [City] of Moscow

Variant 'Draft' of Gorbachev Nobel Speech Noted

PM2107183191 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 25, 23 Jun 91 p 12

[Article by Flemming Rose, Moscow correspondent of BERLINGSKE TIDENDE: "Variants Are Possible. The Western Press Seems to Have at Its Disposal a Second Version of Mikhail Gorbachev's Nobel Lecture"; last two paragraphs are MOSKOVSKIYE NOVOSTI editorial comment]

[Text] The "unspoken" version of Gorbachev's Nobel lecture differs strikingly on many key points from the official one which he delivered in Oslo City Hall. This information filtered through to the pages of the Soviet press and obviously caused a great commotion in the president's team. At least, presidential aide Vitaliy Ignatenko specially touched on this question at an 11 June press briefing in order to deny it, and in the evening of the same day the "Vremya" program disseminated that denial among its millions-strong audience. So, did the second version exist?

I have before me 12 pages of closely typed text, which I obtained in Oslo from a member of the Soviet delegation a few days before the official Nobel ceremony. The

document is entitled "USSR President M.S. Gorbachev's Nobel Lecture." The word "draft" is stamped in the top right-hand corner on its first page, and it would be possible to forget it for this reason alone if it were not for one "but."

At the news conference which followed the official ceremony, the USSR president made a number of statements which are very close—if not word for word, then in spirit—to the text of the "draft." This alone could serve as indirect proof of its legitimacy. In addition, account should probably be taken of the fact that the draft of any document issuing from the president's close entourage must have received at least preliminary official approval.

So, what is the speech which Mikhail Gorbachev did not deliver like? First, it does not say a single word about the introduction of a market economy in the Soviet Union or about expanded cooperation with Western countries. Second, it does not even allude to the joint statement of the "Nine Plus One," promising stability and the renewal of the Union's organs of power. That is, it lacks precisely those points which were central to the Nobel speech which Gorbachev delivered. And, conversely, there are points in the draft which were totally missing from the official version of the lecture but which undoubtedly affect the West's interests. "The Warsaw Pact Organization has ceased to exist. Against this background the question of justification for the existence of NATO as a military bloc arises," the draft reads. It is not hard to imagine what the West's reaction would have been if Gorbachev had uttered these words.

The most noticeable difference in the substance of the two texts is when it comes to political and national conflicts in the USSR. The draft, for example, contains ill-concealed irritation at the West's sympathies for the Baltic republics' desire for independence—sympathies which "certain leaders of nationalist movements unjustifiably perceive and portray as promises of direct political, material, and other support."

Mikhail Gorbachev did not touch on this question in his Nobel speech. At the news conference, however, the talk had hardly turned to the Baltic region and he said almost the same thing.

How is it possible to interpret the existence of two different versions of Gorbachev's Nobel lecture? This evidently attests, above all, that agreement does not exist either in the president's team or in his soul. The inconsistent and dichotomous nature of his policy disconcerts the West, and this fact could serve as a weighty argument for opponents of businesslike cooperation with the USSR. A partner who always has different versions in reserve is a bad partner.

From the editors. In publishing Flemming Rose's article the editors do not draw categorical conclusions about the authenticity or the sources of the president's "undelivered" Nobel lecture. And it is not the detective aspect of this affair that is most important, although it is hard to imagine a "leak" of statements by the president other than through the hands of his entourage. You might recall that something similar occurred relatively recently, during the president's visit to Japan: The text of M. Gorbachev's address to parliament reached Japanese journalists before M. Gorbachev mounted the rostrum. And the original text, or "draft," did not contain the mention of the four islands in the Kuril Chain which was made verbally.

Occurrences of this sort, as Flemming Rose rightly believes, create in the West and also in our country a sense of the dichotomous, unpredictable, and unreliable nature of Gorbachev's entourage (and it is hard to imagine that this is without his knowledge), which prepares "drafts" that in many ways are the opposite of what will actually be said.

Newly-Launched KGB Publication Reviewed

PM2107182591 Moscow IZVESTIYA in Russian 18 Jul 91 Union Edition p 3

[Report by N. Aleksandrov: "Password and Identity As Before..."]

[Text] At a time when the USSR KGB has had enough of journalists and even of former Cheka members themselves, suddenly it has decided to publish a newspaper. We managed with great difficulty to acquire a preview edition of KURYER SOVETSKOY RAZVEDKI [Courier of Soviet Intelligence]. Despite the fact that it is not secret and is aimed at a wide readership, it has not gone on sale. Yet...

Chief Editor Sergey Tolkunov writes in the preface: "We see our aim as offering readers a chance to become acquainted with documents and other materials on the role of intelligence in the various periods of our state's history, the victories and the inevitable losses and defeats in every battle. The authors of almost all our publications are professional intelligence agents..."

Education Minister Reportedly Dismissed

LD1907220491 Moscow Russian Television Network in Russian 1700 GMT 19 Jul 91

[From the "Vesti" newscast]

[Text] Today's sensational news is that to all appearances, Minister of Education Yagodin has been dismissed. It is believed that this is connected with an initiative by Yazov.

Yagodin was not in agreement with the cancellation of postponement of army service for students of day establishments of higher education.

Yagodin Comments

LD2007024991

[Editorial Report] Moscow Domestic Television Network in Russian at 2000 GMT on 19 July, during its regularly scheduled "Vesti" newscast, carries a 2-minute interview with G.A. Yagodin, chairman of the USSR State Committee for Public Education, by correspondent A. Politkovskiy. Politkovskiy asks Yagodin about his reported dismissal. Yagodin says: "I wasn't dismissed from work. I was released in connection with the expiry of the circumstances with the expiry of my term of office. I think that when the premier forms his cabinet, he will form his cabinet, I thank you. I don't have any comment."

Politkovskiy notes: "In our Soviet formulation, Yagodin was dismissed in connection with the fact that the chairman of the committee for people's education, as it were, was not approved by the Supreme Soviet of the Union. But we recall, Pavlov did not propose Yagodin for that post. But the reason for the hasty removal of the chairman from the post is known to us. Yagodin told the prime minister that he was against students serving in the Army and warned that student unrest was possible, and then the events in Tiananmen Square in Beijing would seem like little flowers to him, the Prime Minister. Little flowers are fine and well but the berries weren't long in coming. Yagodin has them already. "Vzglyad," specially for Russian 'Vesti'"

Demonstrators Protest Coke Plant Pollution

LD2207005791 Moscow Central Television First Program Network in Russian 2108 GMT 21 Jul 91

[From the "Television News Service" program]

[Excerpt] One morning, unexpected guests appeared on the grounds of the Zaporozhye Coke By-Product Plant. Not just anywhere but right on a chimney at the plant.

[Unidentified person] Our demand is this: that purification devices be installed, that the already existing devices, the devices which are in operation already, be used effectively.

[Unidentified person] Also, the closure of a workshop which has not been renovated for half a century and is still operating. The installation of such devices would mean monitoring—ensuring that the plant, plants, polluters would pay fines in good time.

[Correspondent] You only have to spend an hour on the grounds of the coke by-product plant and your skin and clothes are covered by a film of coal dust. Incidentally, the coke by-product plant occupies first place among Zaporozhye enterprises as far as the emission of dust and harmful substances into the atmosphere is concerned. Benzopyrene, that dangerous carcenogenic agent, which in large doses causes cancer of the skin and respiratory tract, is emitted here. Well, lads, the plant's workers are going by constantly. How do they feel about your action?

[Unidentified person] Many of them are very well disposed, and are even prepared to defend us from the militia in case of any repressive actions. But, on the other hand, the leadership of the plant has threatened, or rather, has promised not to restrain the plant's workers when they come up here to throw us down from here.

[Unidentified person] The workers support us here.

[Studio correspondent] The protest action is being carried out in the best Greenpeace traditions. However, despite the head-spinning scale of the problems, it seems that nobody intends to resolve it yet. [video shows two young men, covered in grime and wearing ropes looped around their necks and waists, high upon a platform around a chimney; video then shows plant grounds; another young man in track suit is shown high up on a chimney platform and he makes the "V for victory" sign] [passage omitted]

TASS Reviews 20 Jul Soviet Central Press

LD2007074691 Moscow TASS in English 0633 GMT 20 Jul 91

["Soviet Press Review"—TASS headline]

[Text] Moscow July 20 TASS—Today's newspapers highlight the results of President Mikhail Gorbachev's talks with leaders of the seven top industrialised nations in London.

PRAVDA pens its front page with Gorbachev's interview on the visit's results.

Newspapers report Gorbachev's meeting with former British Prime Minister Margaret Thatcher and Labour leader Neil Kinnock.

The G-7 pledge to support the Soviet president's drive for radical economic reforms should be coupled with active practical steps, Thatcher said.

Kinnock spoke about the historical importance of Soviet reforms for the entire world, newspapers reports.

RABOCHAYA TRIBUNA carries an interview with First Deputy Soviet Prime Minister V. Shcherbakov, who said that the results of the London meeting "exceeded all our expectations".

PRAVDA and other newspapers report Gorbachev's return home from London.

PRAVDA reports a letter from the all Poland trade unions accord to the Soviet president. The letter says that the implementation of political and economic reforms in Poland and the Soviet Union should not disrupt bilateral good-neighbourly economic ties.

SELSKAYA ZHIZN reports a meeting of the Soviet Communist Party Central Committee Secretariat, chaired by Deputy Party Leader V. Ivashko.

PRAVDA comments on the 51st anniversary of the declaration of Latvia and Estonia Soviet socialist republics.

"It is impossible to wipe half a century out of people's memory, to discard what they have achieved and social gains attained over these years," PRAVDA writes.

The newspaper comments on the implementation of the law on [word indistinct] policy.

SOVETSKAYA ROSSIYA publishes the Russian bill on local self government and a parliament resolution on its enforcement.

The newspaper reports a meeting of the Russian Communist Party Politburo, which discussed the youth movement, party talks in connection with the passage of a law rehabilitating repressed peoples (?and conditions) for the forthcoming party plenum.

[Words indistinct] an interview with Soviet Prosecutor General N. Trubin, who speaks about law-enforcement in the Soviet Union.

SELSKAYA ZHIZN carries comments by Deputy Russian Minister for Agriculture and Food V. Belchenkc on a Russian bill, giving priority to the agroindustrial complex in getting [word indistinct] technical resources.

SELSKAYA ZHIZN publishes a TASS report about a statement [words indistinct] saying that the republic should join the renewed Soviet Union.

SOVETSKAYA KULTURA carries an article [passage indistinct].

TASS Reviews 22 Jul PRAVDA

LD2207065691 Moscow TASS in English 0642 GMT 22 Jul 91

["Soviet PRAVDA Review"—TASS headline]

[Text] Moscow July 22 TASS—Soviet Prime Minister Valentin Pavlov completed his two-day visit to Sakhalin Island on Sunday, PRAVDA reports.

On the second day of his tour Pavlov visited a farm and two fish processing plants.

Sakhalin region was recently given the status of a free trade zone.

Local businesses should give priority to manufacturing construction materials and modernising production facilities, Pavlov said.

A Russian government delegetion led by President Boris Yeltsin began an official visit to the central Asian republic of Kyrgyzstan on Sunday, PRAVDA reports.

The two republics signed a cooperation agreement in Bishkek on Sunday. The document was signed by presidents Boris Yeltsin and Askar Akaev. They also signed financial agreements worth 800 million roubles.

PRAVDA carries an open letter by a group of Soviet lawmakers, industrial leaders, scholars and government officials who call for urgent measures to help children and women.

PRAVDA carries comments by economist Pavel Bunich on problems of a fast transition to a market economy in the Soviet Union.

In another story, Academician K. Frolov emphasises the importance of scientific and technological progress.

Analyst Gennady Vasiliev comments on Soviet-American relations and the forthcoming summit.

"The world's movement to new international relations began with normalisation in relations between our two states and the transition from confrontation to interaction and cooperation," Vasiliev writes, stressing the importance of Soviet-U.S. relations.

"A regular, business-like and constructive dialogue between Moscow and Washington is pivotal to East-West relations, serving as a tuning fork for the multinational global orchestra," he writes.

PRAVDA's editorial comment focuses on the U.S. decision to close its Clark field military base in the Philippines. "

"The liquidation of this base closed an entire page in the post- war history of Asia," it says.

PRAVDA also comments on normalisation in Sino-Soviet relations.

Economic

Economic Report Shows Production Decline

LD2007033891 Moscow All-Union Radio Mayak Network in Russian 1900 GMT 19 Jul 91

[Text] TASS has circulated the Goscomstat report about the national economy results in the first quarter of this year. All branches of industry have shown decline in production volumes. According to the Goscomstat predictions, the industrial production volumes will fall by 8 percent during the year. The gross agricultural product will fall by 4 percent. The gross national income by 15 percent. However, in the opinion of the statisticians, positive shifts will come about immediately if imports could be increased by 1.5 or 2 times in comparison with the first half year, if an effective harvest campaign could be organized and the losses of the agricultural produce minimized.

For this, the oil industry requires urgent financial help as well as reallocation of resources in favor of the food industry projects, which are under construction.

PRAVDA Reports Economic Performance Data

PM1907153591 Moscow PRAVDA in Russian 19 Jul 91 Second Edition p 1

[Report by Yu. Medvedev "Mirrored by Statistics": "The Ladder Leading Out of the Hole... Where Is It?"]

[Text] The USSR State Committee for Statistics has summed up the economic results for the first half of the year. It was a period rich in all manner of events: strikes, an increase in consumer goods prices and in the cost of travel, a congress, sessions, the election of the Russian president. All this in one way or another influenced the state of affairs in the national economy. It is extremely complex. In the first six months the gross national product fell by 10 percent compared with the same period last year, the national income fell by 12 percent, and social labor productivity by 11 percent. A reduced volume of industrial production is typical of all sectors. It fell by 6.2 percent compared with the same period last year.

The most worrying period was the first four months. In May-June we managed to stop production declining further. Average daily industrial output was held at the April level. Supplies of products to all-union stocks improved somewhat. Retail trade stocks began to be replenished. Although this gives some slight cause for a sigh of relief, the economic situation in the country generally remains tense and unstable. For example, food production was 91.5 percent of the level of the first six months of 1990 and nonfood production was 97 percent, including 90 percent for light industry goods. June looks the "thinnest." Industrial production fell by nine percent.

The fall in the production of many types of products in the basic sectors of industry is particularly worrying. Contract discipline continues to decline. Some 17 percent of enterprises failed to fulfill delivery pledges. The "star performers" were the chemical and timber complex—one-half of enterprises; the metallurgical complex—46 percent; the fuel and energy complex—34 percent; the machine building complex—37 percent. One of the reasons for such an unsatisfactory situation is the destruction of long established economic links. Another reason is the passion for barter deals, where, to indulge certain collectives, others are reduced to starvation rations. So, in the case of a number of very important types of products, the manufacturing chain is broken. The situation is aggravated by breakdowns in the supply of material resources. In the first six months production stoppages occurred every month at one thousand and more enterprises.

Coal extraction fell by 41 million tonnes compared with the same period last year. Naturally, this affected metallurgical enterprises' work. Because of the lack of coking coal all coke oven batteries were operating under capacity and seven had stopped operating altogether. The figure for the production of steel, rolled ferrous metal, and pipes was 88-93 percent.

Petroleum extraction fell each month. Underproduction amounted to nearly 28 million tonnes. Hence the long lines at gas stations.

In the machine building complex none of the figures for the production of the basic types of products even approached last year's level. Production of metal-cutting machine tools, motor vehicles, tractors, grain- and feed-harvesting combines, and other machinery was five percent and more down.

The defense industry workers are gathering momentum, however. On the basis of conversion, the development of the production of machinery and equipment for the light and food industry was up by 15 and 18 percent, respectively, and the production of medical equipment and spare parts for it was up by 32 percent.

There was a reduction in output at chemical and timber complex enterprises as well. Production of mineral fertilizers, chemical fibers and thread, plastic, tires for trucks, medicines, and paper was down on the first six months of last year. Production of newsprint was nine percent down.

The indicators for the production of consumer goods are not a pretty picture either. This year production is 4.5 percent down on the same period last year. Food production is 8.5 percent down. Only bread, baked goods, pasta, and flour showed an increase in production. The other 14 types of very important food products have a minus sign against them in the State Committee for Statistics report.

In the first six months of the year the country's financial situation deteriorated significantly. The union budget deficit was more than R39 billion in the first five months. Its unsatisfactory implementation is due both to the difficult economic situation and to the fact that some republics failed to provide a supply of revenue for the Union budget. The entire budget system was also adversely affected by the fact that social payments and pay were being increased while production was falling. The population's monetary incomes were R433.8 billion, an increase of R131.6 billion. So let us hold on until better times come along. We just have to find a firm foothold in our work, a "ladder" with secure rungs. But where is it?..

Statistics Committee Holds Press Conference

PM1907102191 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 2

[Report by V. Romanyuk: "Economic Weather for Tomorrow: Changeable"]

[Text] In summing up the results of the first six months of 1991, the USSR Goskomstat [State Committee for Statistics] has for the first time attempted a forecast for the year. The thrust of the assessments is that in the second half of the year there will be a more profound

decline in the volume of industrial production—by nine percent—and in the national income produced—by 17 percent.

At a 17 July 1991 press conference V. Kirichenko, chairman of the USSR Goskomstat, stated that losses from the production slump in the first months of the year were so substantial that, having affected the results of the first six months, they will also have an effect in the future. At the same time he noted three long-term negative factors: first, the deterioration in the provision of the national economy (and also export requirements) with fuel and energy resources, second the drastic reduction of imports because of the shortage of currency funds, and third the decline in investment activity accompanied by an increase in uncompleted construction.

Let us note the latter circumstance to which, incidentally, V. Pavlov has frequently drawn off. The increase of 50-60 billion rubles [R] in uncompleted construction in the first half of the year was accompanied by an increase in construction workers' wages. At the same time there was a reduction in the production of construction materials and a drain of skilled workers into the cooperative sector. If we are speaking of paramount steps in this sphere, priority should go to establishments for the processing and storage of agricultural raw material and food industry establishments. As for the USSR Goskomstat's recommendations in the production sphere, they are rather of a declarative nature. for instance, to rectify the situation in light industry and on the commodity market, it is necessary to increase imports of raw material and finished articles 100-150 percent. But to obtain currency to pay for imports we must achieve an increase in oil and gas extraction. But look what we have to boast of here: Oil extraction has declined 10 percent, which is causing us not to increase but reduce imports.

Now about the pros and cons of the price formation reform. Among the positive elements we include the reduction of subsidies for many types of article. The production of food is ceasing to be unprofitable; the mass of money of the population's deferred effective demand has been devalued (in the opinion of the USSR Goskomstat there is no social injustice here inasmuch as money has accumulated in excess of the increase in real end results). And among the cons we should include the fact that the expenditure-led nature of price formation is retained and price has become an "antistimulus" making it possible to obtain more income even with a reduction in production volumes. Actually, this situation is caused not so much by the ideology of price reform as by the lag in establishing a market mechanism and by the retention of the monopolism of state enterprises.

I. Pogosov, first deputy chairman of the USSR Goskomstat, drew attention to the danger of the development of inflation processes. Among the factors which intensify this danger one can include, alongside the deepening of the budget deficit and the unrestrained growth of incomes, the inflation of social programs, the production slump, and the growth of foreign debts. The devaluation of the ruble under our conditions "works" against the market and pushes people toward exchange in kind and the erection of customs borders within a single economic space. What is suggested? Strictly restricting the growth of incomes to the degree of real increase in the results of production and preventing the growth of social programs—both local and republican and union programs. It is proposed to make credit policy just as tough and to coordinate it on a regional basis.

For all the declaratory nature of the recommendations, we shall not dismiss them out of hand. If you analyze what has led to the present, albeit modest, stabilization, it is primarily the ending of the mass strikes, the Novo-Ogarevo agreements of the nine republics and the center, and the adoption of a coordinated program for the economy's withdrawal from the crisis—under the conditions of the transition to the market. That is perhaps where there is a decisive chance of improving matters in the second half of the year.

Justice Minister on Economic Legislation

PM1907145691 Paris BUSINESS IN THE USSR in English No. 14, Jul-Aug 91 p 68-69

[Unattributed interview with USSR Justice Minister Sergey Lushchikov; date, place not given: "Freedom Within the Limits of the Law"]

[Text] Q: The primary concern of Western entrepreneurs entering business relations with Soviet organizations or joint ventures is guarantees for investments. In which direction do you think Soviet legislation will develop?

A: The Soviet leadership views legal guarantees for foreign investments as a key aspect of the transition to a market system and the enlistment of foreign firms to help develop the Soviet economy. The Soviet Union is seeking to formalize these guarantees in respective state-to-state agreements, as well as enforceable domestic measures.

Several years ago, for instance, in an effort to provide an extra safety net and create a firmer legal basis for foreign and Soviet investors, the Soviet cabinet initiated several intergovernmental agreements on the mutual protection of investments.

Since January 1988, the USSR has conducted talks to work out and sign such agreements with a number of nations with the Ministry of Justice responsible for the legal fine-tuning of these accords. Agreements on the mutual protection of investments have already been signed, though not yet ratified, with a number of states, including Finland, Belgium, Luxembourg, Austria, Germany, the Netherlands, France, Italy, Canada, Great Britain, China, South Korea, Turkey, Switzerland and Spain. Active negotiations on similar treaties are under way with Portugal, Sweden, Denmark, Norway, Singapore, the United States and Australia.

Investments, as defined in these agreements, are open to broad interpretation. Both movables and real estate, as well as funds, are regarded as capital investments. Such property rights as the right of lien, company deposits, shares and equities are all recognized. Foreign parties are entitled to the choice of action on funds and copyright, including that covering inventions, trademarks, know-how and trade names. Foreign firms are also allowed the right to engage in economic and commercial activities, including prospecting for natural resources and their development. One has to agree that all this offers fairly wide opportunities to foreigners, backed up with legal guarantees.

These agreements are based on the underlying principle of international trade and economic cooperation: most-favoured-nation treatment. This privilege is granted to the investors of the contracting parties. It covers all their investments, with only a few exceptions connected with participation in economic and customs unions, free-trade zones and other similar agreements. In view of President Mikhail Gorbachev's decree on foreign investments and the fundamentals of the relevant legislation which is currently being drawn up, most-favoured-nation treatment is effectively becoming general Soviet policy.

The agreements bind the signatories to allow investments on their territories and to treat them fairly, as stipulated by law.

Foreign investors' funds that come under the agreements cannot be forcibly confiscated or expropriated, with the exception of cases directly specified in the accords, and then only on compensatory terms. There is also another important point, which is always at the focus of attention. The agreements include the parties' commitment to ensure investors the possibility of freely transferring payments in hard currency, and to define the forms of such payment clearly.

Another solid guarantee for foreign investors is inherent in the established procedures for the arbitration of disputes that may arise between an investor and the state, over issues concerning primarily the amount of compensation for the confiscation of capital investments and the procedures for making it available.

Regrettably, the USSR is not yet a party to the Washington Convention of 1965 that regulates investment disputes between states and foreign nationals. This is why the investment agreements provide for the consideration of such disputes by investment arbitration tribunals, most often the Stockholm Arbitration Institute. As far as joining the Washington Convention is concerned, the Soviet Government is considering the matter.

The investment agreements also feature other provisions of great interest to foreigners. These include, for instance, clauses on the transfer of an investor's right to an insurance agency (subrogation) and on separate obligations that a contracting party may assume with regard to an investor's funds.

Q: Letters sent to Business in the USSR testify that Western business people often find Soviet legislation on foreign economic activities too involved and sometimes even contradictory.

A: This is true, to some extent. But one has to take into account the fact that we do not have any experience in these matters yet. Nor can we fully mirror the existing foreign economic legislation of Western nations. We have our own traditions and particularities. It wouldn't be right not to take them into consideration.

It is true, alas, that our legislation sometimes contains contradictory norms. There are also cases of duplication and lack of precision in formulating individual provisions, which complicates their enforcement. But I cannot agree that our legislation is too "involved". On the contrary, it is too "simple". This applies, for instance, to norm-setting acts on joint-stock and limited-liability societies. I think that we cannot compare the foreign economic laws of the Soviet Union and, say, the United States. In America, this kind of legislation is indeed complicated. This is admitted by many Western business people and lawyers. The USSR is now laying the legal groundwork for the switch-over to a market economy. A large package of laws and executive orders has been adopted on these issues. The more important of these include the laws on ownership, the state bank Gosbank, enterprises, cooperatives, banks and banking operations, general principles for individual enterprise, and currency regulation, as well as the Customs Code. Legislative acts on anti-monopoly measures, protection for consumers' rights, securities and stock exchanges, denationalization and privatization will follow soon. The list speaks volumes on its own, demonstrating that the country is heading for a market.

It is disappointing, however, that immediate plans still do not include the enactment of such bills as those on bankruptcy, mortgage, unfair competition, foreign investments, and exports.

Q: The Soviet and foreign press has repeatedly criticized the numerous acts under legislation for regulating foreign economic activities, which are contrary to laws passed earlier. The impression is, however, that the practice of issuing such administrative ordinances is continuing.

A: This is basically untrue. In fact, all relevant Soviet law-making instruments aim at liberalizing enterprises' foreign environment for joint ventures, which enjoy what is in many economic respects a privileged legal position over all-Soviet projects. Take, for example, such a delicate area as taxation. Here, too, remarkable progress has been made.

If we speak not of ordinances but of laws regulating foreign economic activities, we can say that as yet there are clearly not enough. These activities have so far been regulated mostly by government orders and by norm-setting acts issued pursuant to these ordinances by the

Finance Ministry, Gosbank and the Bank for Foreign Economic Affairs (Vneshekonombank).

But this does not mean that we do not realize the high significance of legislative backing for all these matters. A great deal is being done to draw up bills on many aspects of foreign economic activities. The fundamentals of legislation on foreign investments have already been prepared, and their adoption will make it possible to cancel many previous acts. But it cannot be said that the enactment of these and other laws regulating foreign economic activities will completely rule out the possibility of further departmental ordinances. This is because the laws themselves envisage certain powers for ministries and agencies in the field of foreign economic relations. To exercise their powers, the latter will, naturally, pass departmental executive orders.

The laws recently adopted on the Gosbank and currency regulation, for instance, granted extensive powers over currency regulation to the Gosbank. The bank law states clearly that Gosbank's administrative ordinances on procedures and spheres for the circulation of foreign currency and instruments of payment in roubles and foreign currency are binding throughout the whole of Soviet territory. The adoption of executive orders on the basis and in keeping with a law is a normal practice widespread in the world, and will continue.

Q: Sergey Gennadiyevich, what do you personally think of free enterprise?

A: The promotion of enterprise in every way and guarantees for its legal protection are part and parcel of efforts to create a market economy. Hence the legislative acts passed at federal and republican levels here. Their aim is to offer ever kind of assistance to entrepreneurial, including private, businesses. However, the legislation stresses that entrepreneurs may pursue any activities save those prohibited or limited by law. This is why I cannot agree to the term "free enterprise". Free enterprise does not exist nor can it exist either in the USSR or elsewhere. "I do as I please," is a harmful, unlawful slogan. "I do as I please, but within the bounds of the law," that is the basis for any enterprise. Proceeding from this, the Soviet Union has passed fundamental economic legislation guaranteeing entrepreneurial activities. It concludes first of all the laws on ownership and enterprises. Early in April the Supreme Soviet legislature enacted a bill on the general principles for individual enterprise, which permits various forms of operations by either juridical or physical persons. Any citizen in this country may start up a business either all on his own or using hired labour. This has meant a U-turn for the legislators on private enterprise. Previously, one could set oneself up in business only with a special permit and such activities were only allowed within strictly specified limits. The law today does not contain any of these restrictions. Entrepreneurs may engage in any activity, as long as it is not banned by law. To go into business for oneself, one just needs to register as an entrepreneur. The formalities end there. You can see that there has been obvious and substantial progress. I believe that the emerging system of legal backing for enterprise by legal entities and private persons will be instrumental in helping the Soviet economy out of its protracted crisis.

Finance Minister Discusses Budget, Debt

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[Interview with USSR Finance Minister Vladimir Yefimovich Orlov by N. Chernyshova; on the "Topical Interview" program—live or recorded]

[Text] [Chernysheva] Vladimir Yefimovich, until very recently all our fellow citizens were described as overpoliticized. They were all politicians. I think now they can be accused, equally correctly now of being overeconomized. Everyone has become an economist. Wherever you go, people talk about nothing but price rises, taxes, the budget. So let's start our conversation with a general characterization of the finances of the country, and the actual value of the ruble.

[Orlov] I could say, in my opinion, that if politics is combined with economics, and economics is combined with politics, then success for the country is a realistic and reliable prospect. But, today, I think that so far our politics are one thing, and our economics something different. Unfortunately, that must be admitted.

We are trying to tie together these two aspects of the question, because, as I said, it is only then that this will give a normal rhythm of work to the national economy, the well-being of people and their families. But so far, today, there is a large gap between politics and economics. That is strikingly shown in the fulfillment of the budget, of both the state and the Union.

That's to say today—and I have been minister for more than four months now. As they say, for that time, you can not only be reprimanded, but also fired. But, the position of the implementation of the budget of the country, and particularly the Union budget, can today be described in rather depressing terms.

So, in the first six months we evaluate a budget deficit of 65 billion. I want to remind you that the budget deficit as confirmed by the Supreme Soviet at 26.7 billion rubles. So you see, the extreme limit established for the whole year has already been exceeded by more than a factor of two. And we have only got half way.

What are the reasons for this? I see two reasons here. The first is that a number of republics, and first of all the Russian Federation, are not fulfilling the conditions which were set down and signed in the document agreement. All of this results in about 30 billion for six months. This is half of the budget deficit.

[Chernysheva] I would like to clarify this right away. Are they not fulfilling it by not paying in their money, or it is that they are spending the money they should have paid

into the common budget on solving their own tasks [passage indistinct] which the Union budget should have spent it on? Which is it?

[Orlov] If we take the Union budget, the actual Union budget in the final resort spends the budget income to the tune of about 70 percent of the sum, by giving the money back to the regions. But the delimitation of the spheres, that's to say of work, the sphere of influence between the center and republics, is specified in the relevant decisions and agreements, and you have to work according to this.

When the republics devolve fewer such functions to the center then there will be a corresponding diminution in the revenue which the republic have to pay into the Union budget. As the center's sphere of influence is reduced, so the total amount diminishes. I hope we resolve these issues, because these funds are not destined for the center. They are destined for the regions, for the republics themselves in the final analysis.

And now the second part of your question, in which you asked where the money is spent. Russia's budget represents a 60 percent share, if one adds up all the budgets. A substantial amount. But today we are not able to analyze all of the country's budget. Why? Because Russia has not submitted its accounts on implementation of the budget. Just look, how can one make an analysis when we lack the full budget details, a share amounting not to 2 percent or 3 percent but to 60 percent? So, you see, this is a difficult policy to understand, as a way of conducting ordinary normal work, which had always gone on from one year to the next. That's where the difficulty is. But, there is a series of figures which have set alarm bells ringing for us, and I want to cite them so that our people, our population, might be aware of what is happening. Because you and I will undoubtedly eventually get on to the subject of inflation. So what is happening? If today we take the republican budgets, including local budgets, as of 1 January, residual balances stood at R21 or R22 billion [rubles], while the figure on 1 June was already R56 billion. A growth, then, of over R30 billion—money which had been released. That is one point. I could cite Russia or the Ukraine. There was a sharp increase in spare, residual, money.

[Chernyshova] You mean money not backed by goods?

[Orlov] Hold on a moment. Let us for the moment call it temporarily spare money.

[Chernyshova] I would like to...

[Orlov interrupting] Yes, yes. Now I'll tie it together for you. What we have is on the one hand, republics—in this case Russia—which are not making contributions to the Union budget. On the other hand, we here at the Finance Ministry cannot deny Kazakhstan, Armenia, Tajikistan, Kyrgyzstan, in short, the six republics which are due for compensation for their people because of increases in retail prices. We are, in fact, paying such compensation. How are we doing it? We are obtaining bank credits and handing the money over to the republics. So inflation occurs, money loses its value, when the ruble is not underpinned with goods. So, getting on to the point you were asking about, the ruble today, in terms of goods, is worth approximately 11 or 12 kopeks. That is how far the depreciation of the ruble has gone.

[Chernyshova] Well, you mention Russia, and my understanding is that it is the financial sector which has suffered more than any other in the country from the war of laws. For it is not only a case of Russia refusing to pay, but we also know that several republics either do not pay at all into the budget, or pay only in part.

[Orlov] Indeed, the three Baltic repubics—Estonia, Latvia and Lithuania—do not pay a kopek into the Union budget. Yet, they account for somewhere over R3 billion in the Union budget, and that is before the introduction of the new retail prices. Not a penny is being paid.

We hold many meetings. They have produced no results. We transfer to transactions at world prices, so to speak, and to participation of the republic in Union expenditures, so to speak, in the country's budget. Such procotols have been signed, but not yet implemented.

[Chernyshova] All this is true. Let us take Estonia, for example. They are going to introduce their own currency on 1 January. At the same time, the ruble continues to circulate. This means we will be unable to purchase anything from them, but they will be quite able to buy from us.

[Orlov] This is how it will happen. If they fail to sign the Union treaty then, you see, in accordance with the agreement we will apply toward them a special procedure in relations which will be based on the economy, the transfer to world prices, transactions in freely convertible currency, I suppose. I think this is the only possible way for transactions to be carried out. It seems this kind of policy will take shape.

[Chernyshova] The war of prices is exactly the same as the war of laws. At present, each of the sovereign states, or republics as we used to call them, has its own prices. Very many people use this unstable situation in prices for their own mercenary aims. Are you going to influence this situation in any way?

[Orlov] The situation here is the following. Prior to the introduction of retail prices, starting with 2 April, there was a decision adopted jointly by all the republics, without exception, about this. Today, we are unable to establish elementary order in our actions. I think, and many people agree with me, that there should be a single tax inspection subordinated to the center. This is neither my personal wish, nor the wish of the ministerial apparatus. This has been tested by life, for decades, even for centuries, in civilized countries. That is why there should be no discrepancy here. This service should handle both the local budget, the republican and the Union budgets. This is absent. We will never have any order in our

budget or economy without this. The second issue is more sad, so to speak. Banks must control growth of a population's incomes, to put it in a straightforward way. They are not being controlled at present. The growth of the population's incomes has increased over five months by R92 billion compared with same period last year. What can it be compared with? This is approximately an increase by 36 percent against last year. Let us look at the situation with commodity circulation now. Total increase is R58.7 billion. Right here, the third question is quite appropriate: there is a gap between 92 and 58, right? This topic also refers to inflation, the devaluation theme. We expect this gap to approach 80-100 billion. It means there will be panic buying and inflation, which will determine the buying capacity of the ruble.

[Chernyshova] I want to discuss rumors with you. At present, many rumors are circulating linked to the replacement of one-ruble notes, three-ruble notes and five-ruble notes. You are being accused of having a secret agenda; a figure was even named about how much you will get—R45-50 billion. Is this true?

[Orlov] These rumors are groundless. I want to confirm that there is nothing more to it than just a mere replacement of money. This money is simply better protected.

[Chenyshova] Now, the next rumor. Small change has disappeared from shops. There are no ten kopek coins, five kopek coins, or three kopek coins. Is this another rumor?

[Orlov] There are no problems with change today. However, I would like to say that we will, probably, also pursue the policy of exchanging small coins. Not in order to confiscate, by no means, but just to exchange. To protect it, same as bank notes.

[Chernyshova] But, Vladimir Yefimovich, coins have actually disappeared.

[Orlov] Well, I would like to say, perhaps, there is another thing here. Today, we have difficulties issuing coins, as well as with producing them. Yes, we have...

[Chernyshova, interrupting] Anyway, why play games here? Let me tell you what people say. They say there will be reforms, that money will be exchanged. However, there is shortage of metal. Therefore, the coins that will exist will be, well, ten times bigger, so to speak.

[Orlov] Let me tell you, these rumors, they always grow, then subside, then rise and subside again, finally, this time. Well, no money reform is being planned for the near future. We do not envisage any. However, this issue, I assure you, is significant and important. So, when you say there will be a shortage of metal and so on, there will be enough metal for those coins.

[Chernyshova] But are there reasons to believe...

[Orlov, interrupting] You want to ask me if there is going to be a money reform?

[Chernyshova, laughing] Well...

[Orlov] I say no.

[Chernyshova] But what period can you answer for?

[Orlov] At least for the next half a year. Yes, at least that. There is a connection, you see, it is connected with how our national economy is going to perform, first of all. However, returning to the subject we were discussing, control over the population's incomes. In fact, today we have the situation when 200 billion is at the disposal of enterprises and organizations, while the budget lacks 200 billion.

[Chernyshova] The name of the Finance Ministry is also being linked with the customs dues which have been introduced.

[Orlov] Those which have been introduced? My point of view is that this will not do any harm. This is my own point of view, maybe a mistaken one. I think there is no harm, because if you and I go on a business trip abroad do we bring back a lot? You can judge by your own experience. The hard currency you are being paid on your per diem subsistence allowance, well, you can say yourself how much you can buy. Those goods are products of a shady market. While goods must be produced at an enterprise, at a state a cooperative one, but based on real cost and with real labor expenses for this particular commodity.

[Chernyshova] Vladimir Yefimovich, you are a minister, aren't you?

You cannot think of money in terms of moral criteria.

[Orlov] No, I never do that. We did, in fact, have a notion that money was going to be phased out, that it was going to be used on an increasingly small scale and that in the end, we would be using no money at all. There was such an idea.

[Chernyshova] But you seem to be fighting for justice, for an idea?

[Orlov] Yes, for justice.

[Chernyshova] While you must fight for the economy.

[Orlov] We must fight. Among other things, the economy, means protection of people. Protection of people who have low incomes. I think these actions were right. They did not affect—same as the exchange of banknotes —any honest Soviet person. This is my point of view. You may have a different one.

[Chernyshova] Well, my business is to ask questions.

[Orlov] Indeed.

[Chernyshova] One more question, this time touching upon international activity. We are forming very difficult relations with the business circles of developed countries. We borrowed credits. The term for repayment

is up. We are not paying. They are upset with us. Yet, once again, we are asking for help.

[Orlov] Today, the debt amounts to around more than $50 billion. We will liquidate part of it today. But there's another part of it which we will not be able to liquidate. Therefore, we will ask the countries. They, and I have to say that I often meet many businessmen here and abroad, are very well disposed to us. That is very pleasant. They will give us, they will meet us halfway, I say, and part of these credits will be prolonged. But, the time to pay will come and unless we reconstruct that policy, namely only for food, goods, for clothes, then, that's it, we won't have any success. Today, policy must take a turn toward borrowing credits and investing, investing in our country. Let foreign states make capital investments, and let incomes or goods be divided between them on equal conditions. This will benefit us and our partners, too.

[Chernyshova] The last question. I would say that our talk has been quite a sad one. The situation in the country is difficult, links have been wrecked and monetary circulation has been violated. Does some kind of plan for radical measures to change the financial situation exist in the ministry?

[Orlov] There is such a plan. It does not have an internal ministerial character, but it has a general character. This plan was drawn up jointly by the Ministry of Economics and Forecasting, the Ministry of Labor and Social Affairs and the Ministry of Finance of the Union, and it has been agreed to by all the republics. Recently, First Deputy Prime Minister Shcherbakov held a conference, and such a protocol was signed. There is such a plan, I can even show it to you. There are dynamic measures there, and the theme of the report by Mikhail Sergeyevich in London was certain measures and approaches to the decisions on time and time-limits—there is a little on that, but what is important has been included there. Such measures are provided for there. But I want to say that I belong to the optimists, for there have been times when we were in a much worse situation, for instance, in the postwar years, and I'm precisely of that time, when there was a most difficult situation, yet we got out of it with merit and honor. I am sure that today we shall get out of this situation, provided we understand each other, provided we all act in the same way, I mean all our republics, all our territories.

Union, RSFSR Cabinets Agree on Far East Fuel

PM2107193391 Moscow IZVESTIYA in Russian 20 Jul 91 Union Edition p 1

[Unattributed report: "We Will Have Fuel"]

[Text] The USSR Cabinet of Ministers and the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers have adopted a number of measures to stabilize fuel supplies to power stations in the Far East, and to ensure power supplies to the region's national economy and population in the fall-winter period of 1991-1992.

With a view to supplying motor vehicle and tractor fuel to the entire national economy and, above all, to the agro-industrial complex, the USSR Cabinet of Ministers has set quotas for interrepublic deliveries of gasoline and diesel. Additional measures have been adopted to provide accommodation for workers in the oil and gas industries and in oil and gas construction.

Instructions have been issued for proposals to be prepared and submitted on bringing existing legislation into line with the USSR law "On the Protection of Consumers' Rights."

With a view to ensuring the necessary monitoring of the fulfillment of economic agreements between the USSR and the Union republics, the USSR Government has instructed the USSR State Committee for Statistics to introduce quarterly reporting of statistics as of 1 January 1992.

Karpov on Defense Industry Conversion

PM1907145291 Paris BUSINESS IN THE USSR in English No. 14, Jul-Aug 91 p 50-51

[Article by USSR Deputy Foreign Minister Viktor Karpov. Chief of the Soviet Foreign Ministry Department for Arms Reduction and Disarmament: "After the Talks"]

[Text] It is no secret that the present drive to adapt the economy to a market footing has put the defence industry in a difficult position. This is probably mainly due to the fact that it has always been an isolated and privileged enclave of the Soviet economy. As a result, it has developed into a sector known for its high scientific, technological and production capacities hardly inferior, or even superior, to world standards, but still functioning on its own and according to its own rules.

Self-Contained Entity

In fact, the Soviet Union has never had a harmoniously developing economy since the time of the industrialization campaign (1929-1940). What it has had is a militarized economy voraciously consuming the biggest and best part of its material resources, the entire national research potential, and the most skilled manpower. Military programmes have not only diverted huge means and funds but have also led to the establishment of vast research institutes and factories often duplicating each other's efforts.

At a time such an arrangement was well justified, if only because it allowed the country to survive and emerge victorious from the Second World War. However, its mammoth military-industrial complex eventually developed into a very conservative and self-contained entity quite able and willing to reproduce itself. As a result, the Soviet Union, unlike its war-time allies and enemies, failed to transfer its industry onto peaceful tracks in peace-time.

Not surprisingly, under the existing system of military production, the Soviet drive for conversion, taking place amid timid steps towards a market economy, has so far led only to sharp increases in prices of civilian products manufactured by military factories, lower living standards for the most skilled group of Soviet workers, and a disintegration of the existing production links and whole production processes. But does that really mean that the defence industry and a market economy are two separate things? Regrettably, many people think it does. Moreover, some are included to see the defence industry as a major obstacle to perestroika reforms and market arrangements.

I think that such views are superficial, to say the least. The defence industry, the focus of the scientific, engineering and labour elite of this country, wields a fantastic potential which can and must transform it into an invaluable component of a market economy.

Grounds for optimism?

Since it was forced to compete as a fully-fledged rival with the military-industrial complex of the West, it inevitably had to come to grips with world market requirements, in order to manufacture competitive products. There is no denying the fact that it employs manpower whose "commercial value" undoubtedly matches international standards.

It would be extremely undesirable, if not criminal, to dissipate this potential. And yet there is a risk that this may happen, inherent in the measures adopted as part of the drive for conversion.

Military factories stepped up consumer goods' output while still manufacturing their military products, instead of converting their facilities entirely to civilian production. In so doing, they effected cuts not so much in military production as in funds allocated for military R&D projects,. They thus slowed down fundamental research which traditionally depended on subsidies from the defence budget.

But things have begun to change now. After lengthy consideration all uncoordinated measures have been merged into an overall government programme for the transfer of resources from the military to the civilian industry. But are there grounds for optimism? I do not think so, since those who drafted the programme did not take into account the calculations of the military factories. As before, everything was decided by the administrative elite of the military- industrial complex, with a total lack of glasnost and democratic control. This sort of conversion is bound to be counter-productive and economically disadvantageous.

Finally, it must be admitted frankly that the contemplated reform of the military industry, whereby the Soviet Union once again tries to go it alone, leaving the potential of its defence factories beyond the confines of the rest of the world economy, is not only irrelevant but also doomed to failure.

What is the solution? It is in granting more autonomy to defence enterprises, in seeking a renewal of their production capacities and in giving them access to the world market, provided that the state continues to subsidize fundamental research.

Integration Into The World Economy

It seems that the best way of switching from military to civilian production would be to integrate the huge economic, intellectual and technological resources into large-scale international projects. Not only would such an arrangement allow the defence industry to be effectively overhauled during the transition to a market economy but it would also help it find its real place in the worldwide economic divsion of labour.

Conversion organized along such lines would yield much better long-term results, since advanced technologies developed by the Soviet military industries would become commercially available internationally, while the defence industries themselves would have access to foreign technologies.

The point at issue is a possible involvement in projects like Eureka, the development of "electronic money" in the USSR, improvement of air traffic control in the Soviet Union as part of an effort to open more air corridors over Soviet territory for foreign airlines, the building of railways for high-speed trains, etc.

It should be noted, however, that attempts to establish business links with potential Western partners have so far been irregular and often unprofessional. As a result, many existing and new organizations, such as the conversion fund Convest, the joint fund established by a group of Soviet enterprises and the financial corporation Battery March, often duplicate each other's efforts and are drawn into unhealthy rivalry, misleading Western companies and raising doubts about the reliability and competence of Soviet partners.

It seems that the time has come to pool efforts. I think that this sort of work, considering its nation-wide significance, should be coordinated by a single government agency. While ensuring immediate political decision-making, such an agency could be regarded by Western companies as a guarantee against possible failures by their Soviet partners to honour their commitments.

Meanwhile, we have learned from experience that if we want to make conversion more flexible and efficient, it would be wise to establish direct contacts with the West on a non-governmental basis, for example within the framework of an independent foundation uniting the enterprises concerned. In other words, what we need is a mechanism for large-scale cooperation between the Soviet Union and foreign countries in the field of conversion, a mechanism which combines arrangements both on a governmental and non-governmental basis.

Selling Out Russia?

Waht I have in mind has nothing to do with auctioning off the national wealth of the Soviet Union. On the contrary. I see it as the only way to secure an effective guarantee against the squandering of the people's wealth.

It may seem attractive to sell a Soviet factory to a Western firm at a price linked to the commercial rate of the rouble. In this case, a facility which costs 300 billion roubles goes for 10 billion dollars, although its real price may be 300 billion dollars. For there are soft roubles and soft roubles; the value of the Soviet currency may be different when defence facilities are involved. By merging the technological and other capabilitis of the Soviet defence industry with Western industrial potential, the sides could become equal partners. If the Soviet defence industry were to receive powerful injections of Western capital, it would certainly become much more efficient and would be encouraged to work for the development of the national and world eocnomies, rather than for military nceds.

This would allow us to embark earlier on building a single world economic entity—the only reliable guarantee against wars and military conflicts.

We Are In For Ordeals

I think that the Soviet defence industry has still to go through a series of ordeals. It used to thrive in a hothouse environment and could always afford the luxury of being the most spendthrift branch of the economy, while still using the best manpower, resources and intellect. The defence sector will now have to become an integral part ofthe economy, while the economy itself will have to raise itself to a level where defence contracts can be awarded to a larger number of enterprises. It is high time to start talking about the introduction of market principles, leasing arrangements and even an arms market. Economic methods of management must be adopted by both defence factories and the Ministry of Defence's central agencies. But for this there must be a nation-wide system of tenders for the manufacture of arms and military hardware.

The Soviet defence industry obviously has a good chance of surviving in a market environment. The most important thing is to use this chance not only on a national basis but also on an international scale.

400 Defense Plants Now Making Civilian Products

LD1907095791 Moscow Radio Moscow World Service in English 0800 GMT 19 Jul 91

[Text] There is a growing number of Soviet enterprises in the military industrial complex that are converting to civilian output. For example, in the Urals an electrochemical mill has started manufacturing complex medical equipment. It is turning out artificial kidney machines which many Soviet medical centers require.

More than 400 Soviet defense plants are now making civilian products. A government program for conversion of the munitions industry covers concentration of efforts to ensure food, clothing, and housing for the population and to promote scientific and technological progress.

Joint Venture To Provide Phone Link to U.S.

LD1907145591 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 4

[Article by I. Andreyev: "Digital Telephone Link"]

[Text] A glimmer of hope seems to have appeared in the difficult life of foreign businessmen working in Moscow: By the end of this year, they will finally have a reliable telephone link with the outside world. It will be provided by the Soviet-U.S. joint venture "Sovintel," which demonstrated its potential on 10 July with a USSR-U.S. satellite television linkup.

Gennadiy Kudryavtsev, recently appointed USSR minister of communications, took part on the Soviet side. He certainly was not there simply to lend weight to the proceedings: The Main Center for the Administration of Intercity Communications, which comes under his department, is cofounder of the joint venture. On the other side of the television linkup, the minister's partner was Gerry Veylan [surname as published], president of the large GTE Spacenet International Company—the U.S. cofounder of "Sovintel."

The idea of this kind of joint venture has been in the air for a while, as the saying goes. Prepared for the everyday confusion of Moscow life, foreign business people have been unable to reconcile themselves to waiting long hours for telephone calls. Unfortunately, however hard our international telephone operators work, shouting "hello, miss!" across the ocean, there is never going to be a good, modern communications system given the Ministry of Communications' present equipment. Meanwhile, the demand for telephone calls between the USSR and the United States is growing at a gratifying and, at the same time, terrifying rate: 35 percent per year.

Everything necessary for the digital computer processing of sound signals will be supplied by the GTE Company, which has joined forces with the U.S. firm San Francisco-Moscow Teleport for the purpose of founding "Sovintel." The Soviet partner will provide the premises for the equipment, the satellites, the land-based space communications center at Bear Lakes outside Moscow, and the Moscow telecommunications tower to relay the signals.

The capital's Savoy Hotel, which, for all its luxury, still does not warrant its five-star status, will be the first to be linked up to the digital satellite communications system. Other top-class hotels and the International Trade Center will be next in line. According to Mikhail Smirnov, general director of "Sovintel" and head of the

GTsMS Production Association, it is possible that foreign offices, Soviet organizations, and even some apartments will be linked up to the digital telecommunications network in the future. At present, services are paid for in hard currency. The joint venture will accept rubles in due course. The founders of "Sovintel" have not said how much they are going to charge, but they have said that their rates will be easily affordable and below state prices.

Overjoyed for the guests of the Savoy Hotel, I asked Minister Kudryavtsev: But what about us mere mortals—Soviet citizens and employees? Will our internal telecommunications network see anything of "Sovintel's" profits?

It will, Gennadiy Georgiyevich replied. The joint venture's articles of incorporation make it quite clear that "Sovintel's" profits will also be used to develop the internal telecommunications network.

Just a few years ago, GTE President Gerry Veylan said to his Soviet partners across the ocean, we never thought we would live to do business with the USSR. And now, together with you, we are creating an extensive global communications system using the very latest equipment.

Scientists Draft Siberian Oil Exploration Program

LD2207011791 Moscow TASS International Service in Russian 1915 GMT 21 Jul 91

[By TASS correspondent Viktor Yelmakov]

[Text] Novosibirsk, 21 July (TASS)—In the next five to seven years, it could be possible not only to arrest the drop in oil extraction in Siberia, but also to improve the structure of hydrocarbon reserves. This is the conclusion reached by some of Siberia's major oil scientists, who have drafted the "Exploitation" [Poisk] inter-industry program aimed at finding and developing new types of high-outflow and gas deposits in Siberia.

What do the scientists base their forecast on? One of the authors of the program, Alekey Kontorovich, deputy director of the Institute of Geology of the Siberian branch of the USSR Academy of sciences and a corresponding member of the Academy explains:

"There are objective reasons why a major reduction has occurred. Among the new deposits being developed, the medium-sized and small ones are predominant. Outflows of wells are falling. This year Siberia will produce almost 100 million tonnes less oil than in 1988. What has happened has come as no surprise to scientists. Several years ago, Academician Andrey Trofimyuk, the patriarch of Siberian oil scientists, forecast the threat of a crisis in the region's oil industry. He put forward at that time the idea of a purposeful search for high-outflow deposits, but unfortunately it did not find support with the government".

The situation is changing, however. Now, at a new stage, and with support of the State Science Committee, the USSR Ministry of Geology and the Russian Soviet Federated Socialist Republic State Committee for Geology, the idea is being shaped into a large-scale inter-industry program. It will need at least R25 million a year for scientific support studies for exploration and surveys. Academic and industry-based institutes in Novosibirsk, Irkutsk, Yakutsk, Leningrad and other towns have been involved in it. The program includes several major scientific projects: basic research on a number of understudied topics, guidelines for oil and gas exploration in two regions—western Siberia, and eastern Siberia and Yakutia, and new, efficient and ecologically clean technologies for exploration and survey work.

The scientists gave a number of examples. The lower "storey" in western Siberia is virtually undeveloped. So far, only the first major discoveries have been made. In eastern Siberia, oil up to a billion years old has been found for the first time in the world. It is also becoming clear that in the depths of Siberia, apart from the classic traps in which oil and gas are concentrated, there are also other, very special ones which are so far poorly studied, and that there are meanwhile grounds to expect that they may contain considerable reserves. Remote sesnsing methods are extremely important in Siberia, under conditions of such expansive territory: exploration from space, aerial and magnetic surveys, and seismic and electrical surveying. These areas of exploration need to be combined with deep drilling. However, until recently these methods have frequently been used in isolation from each other and not in combination, the scientist reckons.

The "Exploitation" program drafted by the scientists is being finalized. However, research collectives have begun work without waiting for its final endorsement. What is more, a foundation is already being laid for practical implementation of the recommendations being made by the academics. Repesentatives of Siberian science took part in a session organised by Russia's Council of Ministers, which examined the organization of the oil and gas industry in eastern Siberia and Yakutia. As a result of the meeting, instructions were given to draft an outline for development of the industry. A working group is now being formed. The Yurubcheno-Tokhomskoye, Verkhne-Chonskoye, Kavyktenskoye and a number of other major oil and gas deposits have already been discovered in the region.

Estonia

Meri Comments on Gorbachev, G-7 Meeting

OW1707050791 Moscow BALTFAX in English 1230 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] Speaking at a news conference in London Monday Estonian Foreign Minister Lennart Meri said that Estonia appreciates the decision to invite President Mikhail Gorbachev to a meeting of the G-7 countries in London. However, Mr. Meri believes USSR president can speak only on behalf of 9 republics.

"He has no right to represent the Baltic states in London because only democratically elected leaders can be entitled to do that," Mr. Meri noted.

The news agency "ETA" [Estonian Telegraphic Agency] reports Mr. Meri is to meet with British MPs on July 16.

On July 17 he is scheduled to meet with representatives of the British Foreign Ministry.

Savisaar Meets Polish, CFSR Envoys in Moscow

OW1907092391 Moscow BALTFAX in English 1830 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] On July 18 Estonian Premier Edgar Savisaar met in Moscow with delegations of Czecho-Slovakian and Polish Embassies. The Polish delegation was led by the Polish Ambassador in the USSR Stanislaw Ciosek, the Czecho-Slovak delegation, by Ambassador Rudolf Slanski.

After the meeting Mr. Savisaar told the press that the meeting had covered prospects for economic agreements between Estonia and Poland and Estonia and Czecho-Slovakia. "We have long been working on an [as received] economic agreements with these countries, and it is to be signed within a matter of weeks," said the Estonian premier.

An agreement has also been reached on a government-level for an Estonian delegation to visit Czecho-Slovakia and Poland to hold summits and possibly sign Estonia's political treaties with those countries.

Savisaar Recounts Talks

LD1907104591 Tallinn Radio Tallinn Network in Estonian 1700 GMT 18 Jul 91

[Excerpt] Our republic's governmental delegation led by Prime Minister Edgar Savisaar held two rounds of talks today in Moscow with representatives of Poland and Czechoslovakia. No signed treaty resulted, but Edgar Savisaar is still pleased with the day's work.

[Begin Savisaar recording] Yes, naturally because certain processes are thus beginning to reach their logical conclusion. That means that we have been preparing economic treaties for some time both with the Czech and Slovak Republic and with Poland, and today we met with their delegations. Both delegations were led by ambassadors of the respective countries and it was agreed that the treaties are completely ready—that is, we have looked through the economic treaties—and their signing is a matter for the next few weeks.

Second, we also looked through the texts of political declarations in respect of relations between Estonia and the respective Central European countries. We reached unanimity also with respect to these relations, and I think that this is a matter for around September of this year. In September our delegation should visit the Czech and Slovak Republic as well as to Poland, where these documents should also be signed, regarding state relations or political relations. I think we will manage to sign economic treaties before then. [passage omitted] [end recording]

Economics Minister Leimann Returns From Sweden

LD1907154191 Tallinn Radio Tallinn Network in Estonian 1400 GMT 17 Jul 91

[Text] Estonian Economics Minister Jaak Leimann has returned from Gotland [Sweden] where a meeting of government members of the Baltic countries took place. Opportunities for developing economic relations were discussed. The meeting was organized by Swedish Finance Minister Allan Larsson.

Taking part in the discussions were Anita Gradin, Swedish minister of foreign trade, the economics ministers of the three Baltic states, the deputy Russian Soviet Federated Socialist Republic economics minister, and leading workers of several Swedish ministries. Ingvar Carlsson, prime minister of the Kingdom of Sweden, honored the meeting with a brief visit. In the course of the discussion the representatives of the Baltic states and Russia studied the development of their economic reforms and of the current economic situation.

The Swedish side introduced its program for economic reform. A survey was presented of a thorough analysis—financed by the Swedish Government—of the Baltic states' economics. Its authors reached the conclusion, after thorough research, that we are ready for the path of independent development. According to what Jaak Leimann said, the analysis was businesslike and interesting. The Swedish side is ready to continue in every way and expand the economic aid provided for the Baltic states, first and foremost in environmental protection. As a new form of aid one could speak in the near future of setting up a guarantee fund there for Swedish enterprises, for investment in the Baltic states.

Law on Smuggling To Take Effect 19 Jul

OW2207081791 Moscow BALTFAX in English 1230 GMT 19 Jul 91

[From the "Diplomatic Panorama" program; transmitted via KYODO]

[Text] A law increasing administrative responsibility for smuggling of goods across the economic border takes effect July 19 in Estonia.

The law envisages immediate confiscation of goods at customs posts unless there is a special license and their transfer to local shops for sale. Besides, a smuggler will have to pay a fine equivalent to three times the cost of smuggled goods.

Toomas Puura, head of the government's border protection department, believes the new law will permit customs officers to check only part of goods instead of total examination.

At the same time, Mr. Puura emphasized that the north-eastern border of Estonia will remain virtually open.

As BF [BALTFAX] reported earlier, the Narva City Council has decided to liquidate a customs post situated on the bridge across the river of Narva in the city of Narva. A dangerous confrontation between customs officers of another temporary customs post outside of the city and so-called "volunteers", forced authorities to transfer some customs functions to police of Estonia's north-eastern region.

According to reports from the Estonian Border Protection Departemnt, 1500 automobiles a day cross the north-eastern border of Estonia.

On July 13 during 3 hours and a half customs officers compiled protocols on 30 cars carrying goods worth 28,000 rubles without licenses.

Latvia

'Closer Contacts' With NATO Considered

PM2107192391 Moscow KRASNAYA ZVEZDA in Russian 20 Jul 91 First Edition p 1

[Report by Colonel M. Ziyeminsh: "What Do Latvia and NATO Have in Common?"]

[Text] Riga—The telephone rang at the KRASNAYA ZVEZDA correspondents' center in Riga, and a man's voice asked quite seriously: "Can you tell me what Latvia and NATO have in common?"

"I can't, I don't know, I've no idea," I was forced to disappoint the caller.

But it turned out that the question was indeed on the level. No less than a week ago C. Donally, adviser to the NATO secretary general on Central and East Europe, visited Riga, and it is now being said and written that A. Krastins, deputy speaker of the Latvian Parliament, is planning a trip to NATO Headquarters in Brussels. He has allegedly received an oral invitation. The aim of the visit will be to "establish closer contacts" with the aforesaid organization.

"It is gratifying," A. Krastins told journalists, "that this bloc's structures are devoting proper attention to the Baltic question..." And he did not fail to stress that, during his talks with the high-ranking NATO staffer, the latter had "no objections" to the idea of the "need to demilitarize and deoccupy Latvia."

This, it strikes me, is where we need to seek the reason for the heightened interest shown in NATO by some of Latvia's current political figures.

Riga Paper Gives Details of 17 Jul Explosion

OW2207065491 Moscow BALTFAX in English 1500 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] A letter signed by deputy procurator general of the Republic of Latvia, Mr. Edvins Ziedinsh, has been dispatched to the procurators of all regions, cities, towns and districts of the republic. The letter says that following the explosion that hit the procurator's office in Riga's Vidzem suburb at around 1 p.m. on July 17, all procurator's offices should take precautions so as to avoid the repetition of such incidents.

The procurators of regions, cities, towns and districts should make arrangements with the local authorities to have the premises guarded during work hours, and should not allow unauthorised persons to be present on the premises, the letter says. From now on, everyone who visits a procurator's office will have to proffer his or her identity card.

In a report on the details of the July 17 explosion, a newspaper named "Riga Balss" claims that TNT has probably been used as explosive. The explosion was powerful: Although it occurred on the second floor, even the windows on the sixth floor were blown out. The newspaper makes a supposition that those who carried out the act "were no novices in the trade".

USSR Official Promises Help on OMON Problem

OW2207094291 Moscow BALTFAX in English 0930 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Speaking at a staff meeting of the Latvian Ministry of the Interior, the Deputy Minister of the Interior of the USSR Vitaliy Sidorov, promised assistance in dealing with the OMON [special purpose militia detachment] problem in Riga. In particular, he promised to try

and persuade the Riga OMON branch to return to the Latvian Ministry of the Interior the vehicles belonging to the latter.

Latvia's minister of the interior, Alois Vaznis, said at the meeting that, during the first six months of this year, the proportion of undetected offenders was lower in Latvia than it was in Estonia and Lithuania.

Liepaja Radiation Said Higher Than Normal

OW1907093591 Moscow BALTFAX in English 1500 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] Lately the sanitation and epidemics authority in the city of Liepaja measured electromagnetic radiation in the city and found its level is 2 to 3 times higher than the admissible one, apparently because there is a radar in the city's southern suburb.

The City Hall has repeatedly approached the command of the Baltic Military District, the USSR Defense Ministry and the General Staff of the USSR Armed Forces with requests to close down or relocate the radar, but all the military did was install a metal screen around the installation.

Lithuania

Landsbergis Comments on Meeting With Yeltsin

OW2207072591 Moscow BALTFAX in English 1100 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] Chairman of the Lithuanian Supreme Council Vytautas Landsbergis described his meeting with Russian President Boris Yeltsin Thursday as "very friendly and interesting".

Mr. Landsbergis told a news conference Friday that they had discussed and settled the remaining details of an interstate treaty between the Republic of Lithuania and the Russian Federation. The treaty will be signed July 29 in Moscow. After that the sides will exchange ratification documents in Vilnius.

Commenting on the draft treaty, Mr. Landsbergis stressed that it is supposed to be in force for ten years and its term can be prolonged automatically if there are no objections from either side. As Mr. Landsbergis put it, the first article of the treaty will be in force forever" because it recognized the sovereignty of both sides.

Three more documents will be worked out before the signing of the treaty:

—The first one concerns the Kaliningrad region.

—The second document is about emigration of the Russian-speaking population living in the Mazeikiai region of Lithuania to Russia.

—And the third document being prepared on the initiative of the Lithuanian side complements the treaty's fourth article saying that Lithuania reserves the right to decide whether to grant its citizenship to those who participated in acts of violence last January.

Mr. Landsbergis pointed out that the treaty "will promote talks with the USSR because the Soviet Union will feel that it is far behind the real life.

Most importantly, Boris Yeltsin does not see [an] alternative to a Soviet Union built on the voluntary basis". Mr. Landsbergis said.

Landsbergis Assesses Meeting

LD1907204491 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 19 Jul 91

[Excerpts] We have reported yesterday's meeting between Vytautas Landsbergis, chairman of the Supreme Council, and Russian President Boris Yeltsin. [passage omitted]

Today Vytautas Landsbergis described to journalists yesterday's meeting in detail:

[Begin recording] It was a working and informal meeting. [passage omitted]

We rapidly moved toward a closer definition of the details of the treaty. [passage omitted]

I had some new proposals in some places in the treaty, and Boris Yeltsin accepted them benevolently, after correcting one or another word. Thus, we prepared the text of the treaty. [passage omitted]

We agreed that the treaty would be signed in Moscow. After the treaty is ratified by both parliaments, the exchange of ratification documents will take place in Vilnius. [passage omitted]

One of the documents to be signed is a special agreement on relations with Kaliningrad oblast. [passage omitted]

Another document concerns a group of people from Mazeikiai who want to move to Russia. [passage omitted] [end recording]

On the whole, Vytautas Landsbergis assessed positively his meeting with Boris Yeltsin. The chairman of the Supreme Council said that Boris Yeltsin can imagine only a voluntary Soviet Union. Replying to a question on what influence the treaty will have with the Russian Federation on the relations between Lithuania and the Soviet Union, Vytautas Landsbergis noted: Of course it will be positive. This treaty will provide a positive impulse. The Soviet Union will have to understand that it is lagging behind life.

Treaty Details Explained

LD2007153691 Vilnius Radio Vilnius in English 2130 GMT 19 Jul 91

[Text] The treaty between the Republic of Lithuania and the Russian Federation is to be signed on 29 July in Moscow. At a press conference that was held at the Lithuanian parliament today, Vytautas Landsbergis talked about his meeting with President Boris Yeltsin the day before and discussed the draft treaty.

The last points of the treaty were agreed on and defined more exactly at the meeting. After signing the treaty, it will be ratified at the parliaments of both countries, and the final exchange of documents is [to] take place in Vilnius.

At the Moscow meeting yesterday the two sides came to an agreement that the treaty would be signed for a 10-year period. Afterwards it might be automatically prolonged, providing neither of the sides has additional proposals.

The first article of the treaty is in force for unlimited time. It states that both sides recognise each other's sovereignty. It would be illogical to confirm such a fundamental right for a period of 10 years only, said Vytautas Landsbergis at the news conference today. One of the preamble's formulations was more exactly defined at the meeting, too. Mr. Vytautas Landsbergis pointed out that was not a direct problem of the Russian Federation.

The treaty expresses hope that after the Soviet Union has regulated the problem, there would appear more possibilities for fruitful cooperation and trust. That was the point that brought certain hesitation and doubts with the Russian delegation, as they did not want Russia to be responsible for the wrongdoings of the Soviet Union. It seems that the proper wording has been found to avoid any possibilities for such an interpretation, said the leader of the Lithuanian Parliament.

It was agreed yesterday that three additional documents would be prepared before the signing of the treaty on 29 July.

The first document concerns an agreement on the Kaliningrad region of the Russian Federation, which is separated from the mainland by the Lithuanian territory. The next document deals with the residents of Lithuania wishing to leave Lithuania and move to Russia and with residents of Russia wishing to return to Lithuania. Ways must be found to supply such people with living space both in Russia and Lithuania. The third document that was proposed by the Lithuanian side explains in some way article four of the treaty which deals with the citizenship. Vytautas Landsbergis defined this document as an explanatory one. Lithuania reserves the right to grant or not to grant Lithuanian citizenship to people who had participated in the attempt to overthrow the present state power in Lithuania on 13 January of this year. That would mean that the Republic of Lithuania might not grant citizenship to such a person if he is found guilty by the court, explained Vytautas Landsbergis.

Answering the question about the similarity of the treaty with one of 1920, the chairman of parliament pointed out that the 1920 treaty had been signed by the Soviet Union, although it was called then Soviet Russia. Thus the issue of the 1920 treaty will be dealt with in negotiations with the Soviet Union.

Leaders Quoted on Meeting, Treaty

PM2207075991 Moscow IZVESTIYA in Russian 20 Jul 91 Union Edition p 1

[Report by M. Yusin: "Treaty Between Russia and Lithuania To Be Signed 29 July"]

[Text] Talks were held in Moscow in the afternoon of 18 July between Vytautas Landsbergis, chairman of the Lithuanian Supreme Soviet, and RSFSR [Russian Soviet Federated Socialist Republic] President Boris Yeltsin.

We were informed by the Lithuanian Republic's Permanent Mission that the meeting lasted over two hours. Attention focused on the preparation of a treaty between Russia and Lithuania. The last few questions at issue have been settled, and it was officially announced at the conclusion of the talks that the signing ceremony will take place in Moscow 29 July.

Addressing journalists, B. Yeltsin stated that, under the treaty, Russia "recognizes the sovereignty of the Lithuanian state." As the Russian president put it, the treaty will protect the rights of Russians in Lithuania and of Lithuanians in the RSFSR.

During Landsbergis' next visit to Moscow 29 July two interrepublic agreements will also be signed—on Kaliningrad Oblast, and on the resettlement to Russia of part of Lithuania's Russian-speaking population and of Lithuanians living in the RSFSR to their historic homeland.

INTERFAX quotes Landsbergis as stating at the meeting with journalists that Yeltsin was particularly concerned for Kaliningrad Oblast to maintain its permanent links with Russia—above all, its transport and economic links. Landsbergis made a high assessment of Russia's position with regard to Lithuania.

The Russian and Lithuanian foreign ministers will sign an agreement in the very near future opening permanent missions in the two republics' capitals, as well as bureaus of the Lithuanian mission in Leningrad and Kaliningrad.

Commentary on Treaty

LD1907214491 Moscow Radio Moscow World Service in English 1810 GMT 19 Jul 91

[Commentary by Vitaliy Gurov]

[Text] A treaty between the Russian Federation, which is the largest Soviet republic, and Lithuania will be signed on the 29th of this month. This has been announced after a meeting in Moscow between the president of the Russian Federation, Boris Yeltsin, and the chairman of Lithuania's Parliament, Vytautas Landsbergis. This treaty is a document not unexpected from the point of view of the policies pursued by President Yeltsin towards the Baltic republics, notes our commentator Vitaliy Gurov.

Last winter similar treaties were coordinated and then signed with Latvia and Estonia. According to the press attache of the Lithuanian permanent legation in Moscow, Mr. Vasiliauskas, the main problem that had to be settled in the treaty was working out the mechanism for the protection of rights of the Russians on the territory of Lithuania and Lithuanians in the Russian Federation. There are notable figures in this regard. Last year 13,000 persons arrived in Lithuania for permanent residence from other Soviet republics, whereas almost 20,000 persons left the republic. According to the head of the migration section of the Social Security Ministry of Lithuania, Vladimiras Grazulis, this year beween 10,000 and 11,000 persons will arrive in the republic and some 15,000 will leave it. The official said that mostly Russians were leaving Lithuania.

The treaty to be signed in a few days will formulate the main principles of relations between Russian and Lithuania. So far, naturally, the document has not been made public and one can only engage in guesswork about its contents. However, a number of specific actions, moves, and statements by leading Russian politicians can quite definitely outline the principal stipulations of the treaty. For example, President Yeltsin has spoken out on several occasions against any use of violence in solving interethnic conflicts and interrepublican disputes. He advocates respect of rights of every nationality for self-determination. In the opinion of the Russian Federation's Foreign Minister Andrey Kozyrev, to maintain the status quo in the USSR, that is, its present statehood, would amount to an attempt to freeze the totalitarian system. This road leads to a deadlock; for this reason it is impermissible to use force against the democratically elected governments of the Baltic area and against the aspirations of the people. He feels that the only solution lies in tolerance, compromise, and respect for all nationalities.

It is apparent that the problem of the Baltic area will be acute and contradictory for some time. However, the new Union treaty, which has been approved by most Union republics of the USSR and by the Soviet national parliament, will remove a number of issues. For one, membership in the renewed union should be voluntary. As for breaking away from the Union, there is a provision for that, too. It is necessary in such a case to observe quite fully the Soviet constitution and the Soviet laws. It is impossible in one go to solve all the political, territorial, economic, and integration problems as well as purely human ties and relations. Perhaps the path of mutual accord and of attempts to find a compromise will guarantee a political solution to the problem, and in this connection the treaty between the Russian republic and Lithuania evokes keen interest.

Shevardnadze Meets With Lithuanian Representative

LD1907190791 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 19 Jul 91

[Text] The Lithuanian permanent representative in Moscow, Egidijus Bickauskas, met with Eduard Shevardnadze, founder of the Movement of Democratic Reform, which is coming into being, on Thursday [18 July]. Our correspondent Jurate Valanciute interviewed Egidijus Bickauskas:

[Begin recording] [Bickauskas] Yesterday I went to his [Shevardnadze's] Association of International Relations, to the association's headquarters, and we talked for about an hour. The conversation did not concern specific problems, rather it was an exchange of views on global issues concerning the present situation in the Soviet Union, Europe, and the world.

[Valanciute] Audrius Azubalis [words indistinct] that Shevardnadze wishes to come to Lithuania.

[Bickauskas] Yes. We talked about it and Shevardnadze expressed his wish and will consider the possibilities about coming to Lithuania. It seems he would like to establish closer contacts with our internationalists. On the other hand, he is rather pessimistic about the events in the Soviet Union. He speaks about [words indistinct] unity and repeats that democratic forces are dispersed and he would like to (?create) a joint front of democratic forces. He would like to find some weight and help in Lithuania, too, not necessarily as some member of that joint Union front, but simply moral support—especially as, in his opinion, we must expect tests. This was the first more serious talk on this issue, so this issue, so this may take some time. [end recording]

Further Report

OW2207053391 Moscow BALTFAX in English 0930 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Soviet ex-Foreign Minister Eduard Shevardnadze said at a meeting with Lithuania's representative in Moscow yesterday that Lithuania is "in for serious difficulties".

Audrius Azubalis, press secretary of the Lithuanian Parliament, has said at a meeting with some journalists today that Shevardnadze meant not only Lithuania's foreign policy problems (its relations with the Soviet Union) but its internal problems as well.

Shevardnadze said that he would very much like to visit Lithuania and would most likely do this before the end of this summer.

Prunskiene Wins Damages From Party Papers

PM1907134791 Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 4

[Report by A. Protsenko, incorporating interview with former Lithuanian Prime Minister Kazimiera Prunskiene; no place or date of interview given: "Fifty Thousand for Kazimiera Prunskiene"]

[Text] The Lithuanian Communist Party has already paid 25,000 rubles [R] to the republic's former Prime Minister Kazimiera Prunskiene. It intends to pay her the same amount again in the coming months—as soon as enough membership fees have been collected. Then it will obviously be Latvian Communists' turn.

The reason for this charity is simple: Last November, the Lithuanian Communist newspapers TARYBU LIETUVA and LITVA SOVETSKAYA carried an article by journalist Yevgeniy Shchekotikhin relating atrocities committed by the "forest brothers," who terrorized the local population in Lithuania for a long time after the war had ended. (That was, in fact, the case). But the "crux" of the article was that the commander of these "brothers" was supposedly none other than the father of the first prime minister of the independent Lithuanian Republic, Kazimiera Prunskiene.

Naturally, the prime minister herself had her own opinion on the matter: She saw the articles in the Lithuanian Communist Party newspapers as an encroachment on her honor and self-respect as a person and a politician.

"There was not a word of truth in these articles," K. Prunskiene said when I spoke to her on the telephone. "It was very easy to prove this. The events in question took place in 1945-1947: Not only did my father have nothing to do with the 'forest brothers'—he was actually killed by a stray bullet at the end of 1944. In other words, the journalist was describing actions supposedly taken by my father several years after his death, which is totally beyond the bounds of common sense. Moreover, my biography has appeared in Lithuanian publications more than once, and there has also been information about the date of my father's death. However...."

In short, Mrs. Prunskiene took the two newspapers to court, but the actions were only given a hearing after long delays: In April this year, when she was no longer prime minister. True, the defendants' representatives chose not to attend the court session. A decision was reached regardless. The newspapers TARYBU LIETUVA and LITVA SOVETSKAYA were obliged to publish a refutation. Moreover, the court decreed that they should each pay K. Prunskiene R25,000 as compensation for the damage caused, as well as R2,500 in state duty and R10 in legal costs. As neither newspaper can afford this, the money is being payed on their behalf by the Lithuanian Communist Party Central Committee. R8,000 in party membership fees that had been collected and deposited in the bank were immediately transferred to K. Prunskiene in April. The same happened in May and June. To date, TARYBU LIETUVA's debt has been paid off and all that remains is to collect the money for LITVA SOVETSKAYA.

An interesting point about this story is that the author of the article, Yevgeniy Shchekotikhin, does not work for either newspaper. He came to Lithuania by chance in May last year, representing the newspaper SOVETSKAYA ROSSIYA at a meeting-cum-seminar organized in Vilnius by the republic's Union of Journalists. He dug up this story through some personal acquaintances. He even published his article a long way away from Lithuania: In the Odessa Military District's newspaper ZASHCHITNIK RODINY [Defender of the Motherland]. From there the "sensation" made its way into the Lithuanian party newspapers.

These facts compelled me to ask K. Prunskiene another question: Why did she take her own, local publications to court rather than the author of the article or even the newspaper which made the original "revelation"?

"First of all, I only learned that this article existed after it had been reprinted in Lithuania. Moreover, it was important for me to stop this slander here, in our republic. So I began by taking action against the newspapers which had tried to discredit me as a politician in the eyes of my own voters, the people of Lithuania. Also, it was easier to prove here that slander had been published: We actually still have newspapers with obituaries printed when my father died. Incidentally, following the example of TARYBU LIETUVA and LITVA SOVETSKAYA, this article was reprinted by many Baltic newspapers: In particular, SOVETSKAYA LATVIYA and other Communist and military publications. Added to the slander, there were all kinds of commentaries about that Prunskiene woman yearning for power with a background like that...."

"Do you now intend to sue other newspapers and demand damages from them as well?"

"Yes, I will certainly have to find the time to take up this matter. We cannot allow impunity, particularly when a powerful weapon like the mass media is used to discredit someone, especially a politician."

"Would you mind my asking how you intend to use such a considerable sum of money: The amount you have already received and the amount you hope to receive?"

"I do not regard this money as compensation for myself but as financial punishment of these newspapers for professional unscrupulousness at the very least. More than one-half of the R25,000 received from TARYBU LIETUVA has already been transferred to finance a summer camp for children from unhappy families. All the money will be used for similar humanitarian and social purposes."

Well, all that remains for me to do is sympathize with my colleagues from Lithuania who have made such fools of

themselves in their pursuit of a sensational story. But their example is a lesson to others: We must remember that the Law on the Press must work both ways—to protect us and to protect from us. But it is good that in this case application of the law has brought double benefit:

First, truth has triumphed—despite the fact that neither TARYBU LIETUVA nor LITVA SOVETSKAYA has published a refutation. In other words, the court's decision has not been implemented in full;

Second, the summer camp for difficult teenagers has been given a boost to its finances. And, judging by K. Prunskiene's mood and the number of newspapers caught out in this way, this source of finance will not dry up for a long time to come...

Agreement With Center on 13 Jan Investigation

LD2007231691 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 20 Jul 91

[Text] An agreement was signed yesterday at the General Procuracy of Lithuania with the representative of the Soviet Union's General Procuracy concerning joint action related to the investigation of the events of 13 January.

Provisions have been made for the established group to be administered on a parity basis by officials appointed by the Lithuanian and the Soviet Union procuracies.

The signed protocol [word indistinct] provides details for this group's joint actions. The Lithuanian General Procuracy will be the sole sanctioner of investigation in Lithuania. Examinations will be conducted out by expert groups established on a parity basis. Criminal indictment will be confirmed by the general procurators of both countries, following the conclusion of preliminary investigation. The case will be investigated only at the Supreme Court of the Republic of Lithuania. It has also been agreed that the countries will not comment on the progress of the investigation prior to its completion.

Landsbergis Receives Finnish Delegation

LD1907201791 Vilnius Radio Vilnius Network in Lithuanian 1600 GMT 19 Jul 91

[Text] Today Vytautas Landsbergis, chairman of the Republic of Lithuania's Supreme Council, received a Finnish Government delegation led by Ole Norrback, Finnish minister of transport and communications and chairman of the Nordic Council.

Today's meeting bears witness to a new and active Finnish policy as regards the Baltic states, Vytautas Landsbergis told journalists. We noticed this earlier when we chairmen of the Supreme Councils of the three Baltic states attended a reception by the Finnish prime minister. We understood that Finland would develop its relations more actively with the Baltic states. We expect a visit by a Finnish parliamentary delegation, and our contacts will undoubtedly continue to develop both directly and through the Nordic Council.

During this meeting discussions concerned the possibilities of building a Helsinki-Warsaw highway and problems concerning the crossing of the Lithuanian-Polish border.

Prime Minister Invites Leaders to Talks

LD2007155291 Vilnius Radio Vilnius in English 2130 GMT 19 Jul 91

[Text] The prime minister of the Republic of Lithuania, Gedimanas Vagnorius, has invited leaders of all parties and public organizations for a round-table talk to discuss the establishing of political consultative forum. In a statement issued by the press bureau of the government it is pointed out that now, as never before, it is very important to carry on a dialogue with opposing forces and that the opposition must become a creative force.

Meanwhile, the oppositional Lithuanian Future Forum accused the government of paying no attention to Lithuanian people's wish to live in a civilized, democratic, legitimate state. The statement published in the daily TIES accused the government of violating and ignoring temporary fundamental law. The statement also expresses the Forum members' protest against attempts to change in minister of internal affairs.

TV Director Publishes Open Letter on Attacks

LD2007155691 Vilnius Radio Vilnius in English 2130 GMT 19 Jul 91

[Text] Lithuanian TV director and head of TV working group published an open letter about the situation at the Lithuanian TV. The letter states that constant attacks against TV both from the leftist and rightist forces increase political tension. The TV leader declared that he will not give in to any pressure and provocations aimed at violation of essentials of democracy. The letter is a direct answer to last Monday's incident when the leader of the Lithuanian Freedom League, Antanas Terleckas, and a group of MPs arrived at the usual Monday meeting of the Lithuanian TV staff. According to the visitors, the leftist forces dominate at TV political discussions, the TV has not done away with procommunist staff, and new leaders have not justified their hopes.

The letter states that it is becoming clear that in order to destroy the state, as it has been tried to be done on 13 January, the blow must be laid on TV, the most receptive source of information. Although Lithuania continues to be occupied, the Lithuanian TV will remain independent and will propagate the principles of the democratic Republic of Lithuania. Only this way we will realize our duty and fulfill it with all our responsibility, the letter ends.

Costs of 'Army Occupation' Summed Up

LD1907215891 Vilnius Radio Vilnius Network in Lithuanian 2000 GMT 19 Jul 91

[Text] The statistical department attached to the Lithuanian Government has summed up losses inflicted on the Republic's economy in the first half of the year by the actions of the Soviet Union's army of occupation.

In all, these losses have risen to almost 81 million rubles [R]. The value of confiscated and destroyed property alone is R70.2 million, if we value the unfulfilled production and work at R6.1 million, if we count how much profit we could obtain but which we failed to do—another R1.7 million. The devastated buildings had to be overhauled, the damaged property had to be restored—this amounts to another R700,000. Injuries and traumas suffered by residents are estimated at R1,064,000. Compensation, grants to those obliged not to work, expenditure on the protection of vitally important objects—amount to more than R 1.1 million.

This is only a list of wrongs. No figures can express the value of blood and tears caused by the crime of the invaders in half a year in Lithuania.

RESPUBLIKA Correspondent on Independence

OW2207055391 Moscow BALTFAX in English 1230 GMT 20 Jul 91

[Transmitted via KYODO]

[Text] In an interview with the newspaper "RESPUBLIKA" July 20, one of the leaders of the new opposition movement "Forum for the Future Lithuania" Arvidas Juozaitis said that "the present leadership of Lithuania will fail to make Lithuania an independent state." Mr. Juozaitis was one of the founders and leaders of "Sajudis" a few years ago.

"Current developments in Lithuania postpone the real independence rather than bring it nearer. No freedom can be gained through violence and if there is no freedom there will be no state as well," Mr. Juozaitis argues.

Durable Consumer Goods To Be Rationed

OW2207052091 Moscow BALTFAX in English 1500 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Lithuania's prime minister, Mr. Gedimanas Vagnorius, has appeared on the republic's TV to announce that so-called "general coupons" will be introduced in the republic on July 29. They will be issued to employees instead of money and amount to one fifth of their money wages. They could be used to buy durable consumer goods in short supply, including electric appliances, furniture, fashionable clothes and footwear. The decision to introduce these coupons was taken by Lithuanian Government on July 17.

In the opinion of the government, the introduction of this system will help optimise the distribution of goods in the republic.

Yeltsin Decree Abolishes Party Control

LD2007132891 Moscow Radio Rossii Network in Russian 1100 GMT 20 Jul 91

[Text] A few hours ago Russian President Boris Yeltsin signed a document on dismantling party control. Its full name is "Decree on Curtailment of the Activities of Organizational Structures, Political Parties, and Mass Public Movements in State Bodies, Establishments, and Organizations of the RSFSR."

Also today Boris Nikolayevich will meet with mothers of servicemen and in the afternoon the president of Russia will fly to Kyrgyzstan.

Decree Detailed

LD2007145191 Moscow Radio Rossii Network in Russian 1100 GMT 20 Jul 91

[Decree on curtailment of the activities of organizational structures, political parties, and mass public movements in state bodies, establishments, and organizations of the Russian Soviet Federated Socialist Republic, RSFSR].

[Text] To ensure the equality of rights of political parties and mass public movements as established by the RSFSR Constitution, in the drawing up of state policy and in the administration of state affairs, and to prevent the interference of public associations in the activities of state bodies and the influence of interparty struggle in the functioning of the state apparatus, I decree:

1. The creation of new and the activities of the existing primary organizations, committees, and other organizational structures of political parties and mass public movements in the bodies of state administration of the RSFSR, the republics within the RSFSR, executive bodies of soviets of people's deputies at all levels, state establishments, organizations, concerns, and enterprises situated on RSFSR territory, irrespective of their subordination, is not allowed. The activities of the organizational structures of trade unions are carried out by agreement between the administration of state establishments, organizations, and enterprises and a labor collective.

2. The participation or nonparticipation of citizens in the activities of political parties and mass public movements cannot be a reason for limiting their rights, including the right to occupy a post, if it is not established otherwise by RSFSR legislation. Persons on civil service in their work activities are guided by the requirements of the RSFSR legislation and are not bound by the decisions of political parties and mass public movements. Civil servants have the right to participate in the activities of political parties and mass public movements in their free time and outside state bodies, establishments, organizations, and enterprises. The RSFSR Council of Ministers, the councils of ministers of the republics within the RSFSR, executive bodies of soviets of people's deputies of the RSFSR, are to take all the necessary measures to provide employment for persons released in the course of the implementation of this decree.

3. The RSFSR Council of Ministers, the councils of ministers of the republics within the RSFSR, and executive bodies of soviets of people's deputies are, before 1 October 1991, to reconsider normative acts passed jointly with bodies of political parties and mass public movements. The RSFSR Council of Ministers during the same period is to resolve the question of suspending on RSFSR territory the validity of joint acts of the CPSU Central Committee and the USSR Council of Ministers.

4. The indication, as well as the requirement for the indication, of membership of a political party or a mass public movement in official documents presented to state bodies and establishments is prohibited.

5. The RSFSR Council of Ministers, the councils of ministers of the republics within the RSFSR, and executive bodies of soviets of people's deputies are to ensure control over the implementation of this decree.

6. To recommend the RSFSR Supreme Soviet to consider the question of submitting to the USSR Supreme Soviet, in accordance with Article 109 of the Constitution of the Russian Federation and as a legislative initiative, a USSR draft law prohibiting the functioning of the organizational structures of political parties and mass public movements in the USSR Supreme Court, in the USSR Committee for Constitutional Supervision, the USSR Procuracy, and also in the USSR Armed Forces, in bodies and units of the USSR Committee for State Security, and the USSR Ministry of Internal Affairs.

7. This decree comes into force 14 days after its publication.

[Signed] Boris Yeltsin, RSFSR President, the Kremlin, Moscow, 20 July 1991

Called 'Blow' for CPSU

LD2007154491 Moscow Radio Rossii Network in Russian 1231 GMT 20 Jul 91

[Commentary by Aleksandr Zelenkov of "Radio Rossii News Service"]

[Text] Russian President Boris Yeltsin today signed a decree on ending party activity within state bodies, establishment, and organizations in the Russian Soviet Federated Socialist Republic [RSFSR]. The degree prohibits the creation of new primary organizations and other organizational structures of political parties and the activities of existing ones in state bodies, establishments, and industrial enterprises located on Russian territory. I emphasize that this applies to all organizations, irrespective of their subordination. This means that in 14 days' time, when the decree comes into force,

political activities at work places must be halted by all the organizational structures of both the CPSU and other political parties.

Persons employed in the state's service are governed in their work activities by the requirements of RSFSR legislation and are not bound by the decisions of political parties and mass social movements, the decree stresses. State employees are entitled to be involved in the activities of political parties during their off-duty time and beyond the confines of state bodies, establishments, organizations, and enterprises.

For the majority of political parties that have been set up over the last few years, this decree will not create particular difficulties. They are operating in accordance with the law and, as a rule, they have active existing structures at their places of residence. However, for the Russian Communist Party and, on a broader level, for the CPSU as a whole, this is a serious blow.

If the CPSU recognizes the laws of the RSFSR and the decrees of the president of Russia, who was elected by the whole people, it will have to fundamentally revise the principles of its organization and activities.

A large number of released secretaries of party committees at various levels will have to think about returning to socially useful work.

Serious problems will face servicemen and the staff members and workers of the USSR KGB, Ministry of Internal Affairs, and procurator's office. The majority of them live and work in Russia, but the leaders of these structures will probably resist in every way the implementation of the Russian president's decree. It is not fortuitous that the decree speaks of the need for the elaboration of a USSR draft law prohibiting the functioning of the organizational structures of political parties within the USSR's central ministries and departments.

Russia's Supreme Soviet may come out with such a legislative initiative. However, in one way or another each citizen of Russia will now have to decide for himself the question of what he is to follow—party discipline or the laws of the republic—and whether he is to submit to the directives of Ivan Polozkov and the CPSU Central Committee or engage in political activities in accordance with generally accepted civilized norms. This, in my view, is a matter of a moral choice for each member of any political party.

Leaders of Local Bodies of KGB Hold Conference

Yeltsin Gives Address

LD1907225991 Moscow Russian Television Network in Russian 2000 GMT 19 Jul 91

[From the "Vesti" newscast]

[Text] The All-Russian conference of leaders of local bodies of the KGB ended today. This is the first time in the postwar history of the KGB that the president of Russia and the prime minister of Russia have taken part in such a conference. The "Vesti" program has managed to obtain a fragment of the address by Boris Yeltsin at this meeting. The president formulated four tasks for the Russian state security bodies to decide.

[Begin Yeltsin recording] We must guarantee the personal safety of citizens and their rights and freedoms. Today, activity encroaching upon rights and freedoms, no matter by whom, is antistate activity.

Second, we must guarantee the persistent implementation of the policy for economic reform, for the transition to the market economy. The honest labor of the entrepreneur, the businessman, and the citizen must be defended reliably.

Third, a most important direction for the activities of the state security bodies of Russia is to combat the criminal world, including organized crime, terrorism, and corruption.

The fourth direction is to guarantee the stability and safety of the operation of the legally elected bodies of power and state structures. A return to the past is no longer possible. today it is simply immoral to speculate upon people's moods and to count upon a so-called controlled social explosion which could guarantee revenge [revansh] for the political forces in the past. [end recording]

Who will work in the Russia KGB? Major General Ivanenko, who is acting chairman, stated at a news conference that cadre purges are not envisaged, although in his view the question of the removal of party influence has come to a head. The Russian bodies of state security should be created by the end of the year. The main problem, nevertheless, remains the delimitation of the competence between the Union KGB and the Russian KGB. Two one-on-one meetings took place recently between Boris Yeltsin and Vladimir Kryuchkov. As far as it has been possible to ascertain, their positions are coming closer together and the signing of an agreement on the delimitation of competence is expected in the next few weeks. [video shows correspondent outside KGB building; interior shot of Yeltsin addressing conference participants from podium; shots of other members, including Kryuchkov, on podium; shots of Ivanenko news conference]

Further on Remarks

LD1907235991 Moscow Radio Rossii Network in Russian 2030 GMT 19 Jul 91

[Text] In Moscow, the first all-Union conference of Russian Soviet Federated Socialist Republic [RSFSR] KGB heads ended today. The conference discussed questions concerning the practical activities of the RSFSR's State Security Committee. Those taking part in the work

of the conference included Boris Yeltsin and Ivan Silayev, chairman of the RSFSR Council of Ministers. The Russian president set out his program in a speech to the conference.

[Begin Yeltsin recording] The concept of the RSFSR's state security bodies reflects the approach to the renewed Union, coordination of joint efforts of the republics and the center in the elaboration and preparation of the Union treaty. The main thing here is that the delimitation of functions and interaction between the republic and the Union must be clearly defined. The delimitation of functions presupposes, of course, that each side takes upon itself a share of responsibility in the relentless implementation of their tasks. Today, we can say with certainty that with the assistance of the republics the Union state security bodies must focus attention, mainly and above all, on the implementation of perhaps three major tasks: They must guarantee the defense of the state borders, implementation of intelligence operations, and implementation of counter-intelligence measures.

In addition to these, it is planned to concentrate the efforts of the republican security bodies on the implementation of the following tasks. First, to guarantee the personal safety of citizens, and their rights and freedoms. I am convinced that the future of Russia is inconceivable without creating solid guarantees for human existence which have been worked out by modern civilization and which are underpinned by international judicial norms. There were times in history when these bodies seriously violated human rights in an attempt to fulfill the will of the party and of the totalitarian state. These times have receded into the past.

Second, to guarantee the persistent implementation of the policy of economic reform, for the transition to the market economy. This envisages the strengthening of economic security in Russia, its economic sovereignty, protection of the interests of the republic's economic subjects in their relations with foreign partners, and combat of economic crime, etc. For a long time, the state security bodies, along with other institutions of power, saw their task as maintaining by all means possible state monopolies in the economy. They used every measure to avoid introducing any entrepreneurial skills. The honest labor of the entrepreneur, the businessman, and the citizen must be defended reliably.

Third, a most important direction of the activities of the state security bodies of Russia is to combat the criminal world, including organized crime, terrorism, and corruption.

The fourth direction is to guarantee the stability and safety of the operation of the legally elected bodies of power and state structures. On no account should we allow a return to the division of power in the republic, or the emergence of any alterntive bodies. These are the basics in learning about statehood.

I want to give a special mention to the executive power. There can be no opposition. The task of the executive power is to implement the policy chosen by the people. If that is the case, the executive chain of command will operate clearly, and the laws adopted by parliament will be relentlessly fulfilled. Only in that case will the state sovereignty of the republic become practical. A return to the past is now impossible.

Today, it is imply immoral to speculate upon people's moods and to count upon a so-called controlled social explosion which could guarantee revenge [revansh] for the political forces in the past. [end recording]

Ivanenko Views Future Work

LD2007084491 Moscow TASS in English 0620 GMT 20 Jul 91

[By TASS correspondent Aleksandr Borisov]

[Text] Moscow July 19 TASS—"Respect and absolute observance of the rights and freedoms of citizens will be the basic principle in the activities of Russia's State Security Committee (KGB)," Major General Viktor Ivanenko, acting chairman of the KGB of the Russian Federation, told a news conference here today.

The news conference dealt with the results of the first all-Russia meeting of the leaders of KGB agencies of republics, territories, regions and ethnic entities in the Russian Federation. The meeting was held in Moscow on July 18-19.

Participants in the meeting had focused on the formation and practical activities of the KGB of the Russian Federation, Ivanenko said. Those present had been addressed by Russia's President Boris Yeltsin.

The meeting had also been attended by the republic's Prime Minister Ivan Silayev, USSR KGB Chairman Vladimir Kryuchkov, representatives of the Russian Parliament and Government, by the leaders of law enforcement agencies of Russia and senior officials of the KGB of the USSR, Ivanenko said.

With the emergence of the KGB of the Russian Federation, there has arisen a unique possibility of reassessing the current forms of work of state security agencies, of bringing them into line with democratic reforms in society, and reconsidering some priorities in the day-to-day activities, Ivanenko said.

Participants in the meeting had declared for a resolute acceleration of reforms inside the KGB in the interests of reliably ensuring security in Russia and in a renewed union, he added.

The personnel of state security agencies, using all their resources, must in every way promote the stabilisation of the situation in the Russian Federation and the Union, and firmly put a stop to anti-constitutional manifestations. In this work, Russia's KGB will count "on assistance from the general public, mainly from among the working-class strata," the general said.

In answer to a question about the structure of Russia's KGB, Ivanenko said that "in many respects it will not conform to the present structure of the KGB of the USSR. It will be more economical and effective".

The process of "gradual departyization will begin in Russia's KGB soon and will evolve without any pressure on the part of the KGB leadership", Ivanenko said.

"This is a voluntary action", he emphasised.

KGB Chairman on Relations With USSR KGB

LD1907213191 Moscow Central Television First Program Network in Russian 1800 GMT 19 Jul 91

[From the "Vremya" newscast]

[Text] Today a news conference was held in the Russian KGB. I would like to remind you that the protocol about its creation was signed on 6 May. In his first interview the acting chairman then said: The USSR KGB is to repel external threats, whereas the Russian KGB is to tackle internal issues—the fight against terrorism, violent outbreaks, organized crime, and corruption. This is what was said. So what is being said today?

[Correspondent V. Bakarinov] There were many questions at the news conference and they were varied in character. Nothing surprising in this for the actual concept of a Russian KGB is yet to acquire its proper meaning for some of our fellow-citizens and for the representatives of foreign powers.

Whether it is the Russian KGB or the Union KGB, the task is the same—to preserve the security of the state and the security of the individual. Nevertheless, what is the program for the activities of the republic's, of Russia's KGB?

[V.V. Ivanenko, acting chairman of the Russian KGB] I think that now we are moving toward formulating more specific tasks in keeping with the general direction for our activities—intelligence, counterintelligence, the fight against organized crime and corruption, the fight against anticonstitutional activities, primarily terrorism, and the provision of information for the republic's administrative bodies and bodies of authority.

Of course, our structure should effectively work together with the structures of the central apparatus of the USSR KGB, and during the initial period, particularly until we have found our feet, we will aim to gain the maximum benefit for Russia and for its security from this very cooperation with the central structures of the KGB. This structure should provide an effective leadership for the territorial bodies of the Russian KGB.

[Bakarinov] This means that the creation of a Russian KGB must not be seen as the breakdown of an efficient mechanism but, on the contrary, should be seen as an improvement on it?

[Ivanenko] I believe that this is just how it should be understood, as a step toward the improvement and perfection of a single system of guaranteeing the Union's state security.

Economist Appointed as Yeltsin Press Secretary

LD2007203991 Moscow Radio Rossii Network in Russian 2000 GMT 20 Jul 91

[Text] The 44-year-old economist, Pavel Voshchanov, has been appointed press secretary to the president of Russia. The INTERFAX news agency cites the following facts about Pavel Voshchanov: He graduated from the Tashkent Institute of National Economy and is a candidate of economic sciences. He worked in the scientific research institute of the State Committee for Construction, in the Institute of Economics of the USSR Academy of Sciences, and then was the economic observer for KOMSOMOLSKAYA PRAVDA. He has had close connections with Boris Yeltsin since 1985. His last job was that of expert to the Russian Soviet Federated Socialist Republic Supreme Soviet chairman on information and forecasting issues. He is married and has two children.

Yeltsin Interviewed on U.S. Visit, Press Law

PM2107181591 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 25, 23 Jun 91 pp 1, 5

[Interview with RSFSR President Boris Yeltsin by Yegor Yakovlev under the rubric "Conversations with the Chief Editor;" date and place of interview not given: "Russia's President to the U.S. President: We Need Investments, Not Debts"]

[Text] Yegor Yakovlev: Allow me once again to congratulate you on your remarkable election victory. In contrast with Mikhail Gorbachev, I will not—as he did on television last Saturday—engage in statistical calculations as to how many people did not vote, and how many voted "against." Something else is self-evident: In our conflict-torn Russia, there is no other leader who can muster such support. And this is no hypothesis, no conjecture, but a conclusion which has assumed material shape in the number of votes which you have won. Tomorrow you will be in Washington, and my U.S. colleagues will naturally ask: What is the meaning and significance of the events which took place in Russia 12 June?

Boris Yeltsin: A head of state has been elected in nationwide elections for the first time in Russia's history. Quite apart from personalities, this is unquestionably above all a tremendous victory for the democratic forces. Perhaps only now is it possible to say that we have rid ourselves of the specter of dictatorship which was hovering above our heads since the beginning of the year, and other specters of the past which were trying to foist their presidential candidate on us.

If you add to the presidential elections the elections of the Moscow and Leningrad mayors and the election in the capital of Russian Federation Deputy Yuriy Afanasyev—and note that his rival, Antonovich, won 11 percent—you will find that you have much food for thought. About, among other things, the sharp decline of the CPSU's role in our life, and its continuing disintegration. Incidentally, there is nothing surprising in this.

The firm establishment of the presidential system in Russia also has a great practical significance. We have been working toward this for a whole year, adopting around 150 laws concerned with virtually all the fundamental aspects of life in Russia. Yet their implementation is visibly lagging behind. This is evident at all levels, at local level and in Russia as a whole. The weakness of executive power is obvious. The presidential elections and the subsequent reorganization of executive power, including elections of soviet executive committee chairmen, beginning from the rayon level upward, will ensure the continuity and collaboration without which fruitful management is unthinkable.

Yegor Yakovlev: This is your second visit to the United States, now in a totally different capacity. But U.S. public opinion remains largely the same. The view has been instilled that you are Mikhail Gorbachev's archenemy. This was done by certain political circles not just in the United States but also in other Western countries. Having built their relations with the Soviet Union on a "direct line" to Gorbachev, they feel uncomfortable when other figures emerge.

What image will you present to U.S. public opinion on this occasion, especially regarding the eternal problem of your relations with Gorbachev?

Boris Yeltsin: Before the elections I visited 12 regions: Murmansk, Severomorsk, Petrozavodsk, Voronezh, Tula, Perm, Chelyabinsk, Orenburg, Sverlovsk, Samara, Komi.... At all the meetings, even the largest and most businesslike ones, I was usually asked—as a result of concern among a certain section of Russia's inhabitants—whether, on becoming president, I would not adopt a more hardline attitude in my relations with Gorbachev? As from January 1991 President Gorbachev has veered to the right, backing antidemocratic forces or being manipulated by them. I am referring to a whole string of events from the bloodshed in Vilnius to the onslaught on glasnost. All this testified to a deliberate hampering of reforms and possibly also their rejection. At that time I was forced to issue a warning about the resignation of the president, since it was impossible to go along with the pursuit of such a course. It has to be assumed that Gorbachev drew his conclusions from this. Furthermore, a consolidation of democratic forces set in, and as early as April they were able to put up serious barriers in the path of the supporters of totalitarianism. All this enabled us to sign the well-known Nine plus One statement. After that, balanced relations began to develop between us, and, to be precise, this process is continuing. Relations which are, first, businesslike, second, constant, and, finally, based on respect for Russia's sovereignty. Presently this is reflected in our joint work on the draft Union treaty. Unless the president changes his positions, our relations will not change. This is what I will also tell the Americans.

Yegor Yakovlev: Of late our officials' trips abroad are accompanied by requests for aid, by the proverbial begging bowl, so to speak. What do you intend to take with you to the United States?

Boris Yeltsin: We will not beg—that is our fundamental position. I have no intention of going cap-in-hand either to the United States, or elsewhere. In all likelihood, people will not refuse Russia money at present. They can see that, regarding reforms and the democratization of society, we have not changed course. But is getting as much credit as possible really what we need? What we need is something else. It is laws which will enable foreign investors to come to our country. And come of their own accord. Then there will be no need to drag them into our vast market. Take a look at Russia. And at its skilled workforce, which is still a cheap workforce. Invest! There will, unquestionably, be people who will be interested. I have a draft law on foreign investment on my desk. It will be dealt with at this session of the Russian Supreme Soviet. This law contains nothing on the lines of the U.S. Jackson-Vanik amendment. On the contrary, most-favored status conditions are created for everyone. Here you are! You may purchase facilities and privatize, just like our citizens. In time we may have to think about curbing factors, but to begin with it is necessary to create a zone resembling a free zone.

Jacques Attali, president of the European Bank of Reconstruction and Development, called on me two days ago. We defined three spheres in which the efforts of many large companies may be pooled. The first is privatization, the second processing and storage of agricultural produce, and the third is conversion. So here you have three programs. Take them and act. But begging and petitioning—no. Furthermore there is a precedent which can serve as a warning—we might get a rejection.

Yegor Yakovlev: You are faced with a reform of executive power. For the time being it is embodied in only four figures: You yourself, the vice president, and two mayors. Is the experience of the U.S. Administration of interest to you?

Boris Yeltsin: Unquestionably. I have tried to study it before. And now, in the course of numerous meetings with senators and the White House administration, I will seek to learn what is useful.

Yegor Yakovlev: How long do you intend to stay in the United States?

Boris Yeltsin: Two and a half days.

Yegor Yakovlev: Just in Washington?

Boris Yeltsin: In Washington and New York.

Yegor Yakovlev: And one last question. It is not connected with the topic of this interview, but it is a topical question for us journalists. You will be going to the next Novo-Ogarevo meeting. As far as we can see, very fruitful discussions are taking place there. But why do you never dwell on the future of the Union news media? Central Television has become the mouthpiece of the most conservative forces of the center. Its broadcasts are evoking dissatisfaction of many republics.

IZVESTIYA is living through a tragedy. A protracted conflict is under way there between the collective which wants to work along new lines, and chief editor Yefimov who is able to act only on instructions from above. And a few days ago there was a direct violation of the Law on the Press: Sevruk, whom you probably know, was appointed chief editor of NEDELYA.

Boris Yeltsin: My goodness!

Yegor Yakovlev: And it was done by means of an order from the chairman of the USSR Supreme Soviet, despite the fact that NEDELYA has nothing to do with it, since it was founded by IZVESTIYA. I am citing IZVESTIYA in particular because it is the newspaper of the USSR Soviets of People's Deputies. Its future cannot be a matter of indifference either to Russia or to other republics.

Boris Yeltsin: I totally agree with you and unconditionally support you. Furthermore, in view of what is happening to the news media, I promise you to raise this question in connection with the Union treaty. It is true that the draft does not contain a single word on this subject. Yet it definitely must not be side-stepped, regarding both IZVESTIYA and the news media in general.

Pavlov Interviewed on Trip to Yakut-Sakha

LD1907164491 Moscow All-Union Radio Mayak Network in Russian 1323 GMT 19 Jul 91

[Text] Many people must already know that USSR Prime Minister Valentin Sergeyevich Pavlov has visited Yakut-Sakha. Vyacheslav Stepanov, our correspondent, will now tell of the results of his visit:

[Begin recording] [Stepanov] The head of the Soviet Government spent 43 hours on his visit to Yakut-Sakha. According to my calculations, the prime minister covered about 4,000 km by plane, helicopter, and car. This is understandable. The vast territory of Yakutia-Sakha covers one seventh of the country. Our republic is a main supplier of natural resources, the country's foreign currency workshop. But there are a vast number of problems in its economic and social development. This was discussed everywhere that Valentin Sergeyevich Pavlov went. These places included Udachnaya with its diamonds, Neryungri with its coal, Ust-Aldan with its farms, and the large soviet economic aktiv [bolshoy sovetskiy khozyaystvenniy aktiv] in Yakutsk.

Valentin Sergeyevich, it is understandable that any corner of the country awaits the prime minister with such impatience in order to share its ills and problems. Nevertheless, out of the vast region of Siberia and the Far East, you chose Yakutia-Sakha. What is behind this?

[Pavlov] I would say that in itself the region is a strong point for the whole of the country's north east. This is because the geographical and economic point is here on which in the future will depend and from which in the future will proceed all the development of the whole country's northeast. It has everything to justify such a classification; it has the natural potential and the human potential. Therefore, the question here now is how to make best use of it to resolve the task of overall development.

[Stepanov] You spent less than 48 hours here but you have a very clear perception of what is maybe the main problem of life in our northern region; the difference in the living standard between town and countryside.

[Pavlov] You know, I adhere fundamentally to the viewpoint that it is necessary to remove it by changing the real living conditions, to change the contents of people's life and work. To do this, one must make a choice as to what direction the development of the rural population of the republic will proceed in the future. This is really typical for the whole of the north and not just for Yakutia. I believe that it is very important not to try to impose industrialization of the countryside on the peoples of the north. Nothing good will come of this. On the contrary, it is necessary to find ways and means in order to preserve the specific national features and the deeply historic culture which belong to these peoples and to all the peoples of our country. At the same time to ensure that this cultural preservation should also be based on a different material basis. In this sense these people have the right to count on all the might of the country's economy and on help from this economy to resolve this main task. [end recording]

Pavlov Arrives on Sakhalin for Visit 20 Jul

LD2007195291 Moscow TASS in English 1320 GMT 20 Jul 91

[By TASS correspondent Yevgeniy Belovitskiy]

[Text] Yuzhno-Sakhalinsk July 20 TASS—Soviet Prime Minister Valentin Pavlov, on a tour of the country, arrived on Sakhalin today.

On Sunday he will have talks with the leaders of the region, visit a farm, a number of small enterprises, shops. Pavlov will also meet local leaders.

The eastern border of the Soviet Union—Sakhalin and the Kuril Island regions—are now living through a crucial period in their economic and social development.

The Sakhalin region has begun, among the first in the country, to introduce market mechanisms and to turn to

new forms of economic management. This became possible after it was granted the status of a free economic zone.

The insular character of Sakhalin, its favourable strategic position in the Asia-Pacific region, various transport elements and rich natural resources have created prerequisites for a large-scale economic experiment launched by Soviet scholar Valentin Fedorov a year ago.

Elected chairman of the regional executive committee (governor) of the Sakhalin region, Fedorov, backed by the overwhelming majority of voters, resolutely started the establishment of new production structures parallel to the state ones.

Within a short period of time, the region had set up 600 individual farms, hundreds of small enterprises, associations and commodity exchanges and had begun to privatise property.

In an interview with TASS, Fedorov noted that one of the main aims of the economic zone is to form an economic space, on market principles, to implement projects for the development of large oil and gas deposits on the Sakhalin shelf and intensive breeding of the Pacific species of fish, including salmon.

Oil, gas and fish are the main resources of the insular region. The establishment of a modern infrastructure for their comprehensive recovery and complete processing will need considerable material and cash investments.

Sakhalin residents are pinning great hopes on foreign capital which will enjoy numerous privileges in the economic zone.

The Sakhalin region is evidently unmatched in the USSR as to the resolute nature of changes. In the opinion of analysts, this has brought a hitherto out-of-the-way region to the front of forthcoming economic changes in the country.

[Words indistinct] could possibly suggest a way out of the deep financial and economic crisis in which the country now finds itself. Local analysts regard Pavlov's forthcoming visit to Sakhalin in terms of implementing these plans.

Principal Conclusions Noted

LD2107152491 Moscow TASS in English 1352 GMT 21 Jul 91

[By TASS correspondent Yevgeniy Belovitskiy]

[Text] Yuzhno-Sakhalinsk July 21 TASS—Soviet Prime Minister Valentin Pavlov today completed a tour of Sakhalin Island in the very far east of the USSR.

On the second day of his visit to the island, Pavlov inspected farms and two recently established small businesses dealing in fishing and fish processing; the main issue that interested the prime minister was how new forms of economic management interact with state structures.

The premier was especially interested in the local situation because the Sakhalin Administrative Region, recently granted the status of free economic zone, began practical work on embracing market elements and using new forms of economic management.

Replying to a question from [word indistinct] during a meeting with islanders, Pavlov said: "First of all we wanted to see really new developments, when life adopts and develops ideas and initiatives that lie within the framework of USSR laws, and what is rejected and should be abandoned as soon as possible."

The prime minister suggested two principal conclusions from his trip.

First: the building materials industry is the most important area for the entire Far Eastern region and the country as a whole.

Second: priority should be given in all industries and spheres to modernisation and retooling.

Pavlov left Sakhalin today.

Democratic Party of Russia's Communists Planned

LD2007195591 Moscow Radio Moscow World Service in English 1600 GMT 20 Jul 91

[Text] A hero of the Soviet Union, Colonel Aleksandr Rutskoy, elected vice president of the Russian republic [as heard], continues his activities to create a new party on the basis of the parliamentary faction called Communists for Democracy. It is planned to name it the Democratic Party of Russia's Communists, but the decision should be made on 3 or 4 August at a constituent conference.

The new organization intends to dissociate from the Communist Party of the Russian Federation. The party is expected to join the Movement for Democratic Reforms as a component part, and Mr. Rutskoy is one of the initiators of the movement.

Khasbulatov Discusses Supreme Soviet's Role

LD2107004991 Moscow Russian Television Network in Russian 1545 GMT 20 Jul 91

[Interview with Ruslan Imranovich Khasbulatov, first deputy chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet, by Russian Federation People's Deputy Rasul Mikhailov; on the RSFSR Parliamentary Herald" program—live or recorded]

[Excerpts] [Mikhailov] The period of presidential power in Russia began on 10 June this year, and, of course, from this time—even a little earlier—new structures of executive power started to be formed. The function of parliament and its leadership is, naturally, changing, too.

Ruslan Imranovich, what do you think, how will your role as current leader of parliament, the role of your deputies, and the presidium, change in this situation?

[Khasbulatov] We, of course, discussed this at the congress. I also delivered a report on this to the deputies at the fifth, extraordinary congress—we have, as you know, held five such congresses in a year. The functions of the chairman of the Supreme Soviet, of the deputies, and especially of the Presidium of the Supreme Soviet, must naturally change quite substantially, because a significant part of their powers, precisely in accordance with the law on the president and the amendments made to the Constitution, are being transferred to the president.

So, what are the main powers of the Presidium of the Supreme Soviet, for instance? In general, that of ensuring the normal work of the Supreme Soviet: organizational, economic, social, more precise preparation, planning of the work of the Supreme Soviet, information, and supervisory functions. I think the supervisory functions of the Supreme Soviet, and of the Supreme Soviet Presidium, should increase, because while we had things pretty organized as far as adopting law-making acts went, I can quite bluntly say—and we spoke about this at the congress, and people's deputies quite justifiably stressed this—that the work of supervision of the laws, bills, and resolutions adopted was not organized effectively enough.

And why not? Because the leadership of the Supreme Soviet quite frankly had to deal with many duties, including nonexecutive ones, with which the president has now been invested by the law and the Constitution. Because a certain element of order has been introduced in the upper levels of executive power through the introduction of the post of president, we have gained the opportunity to concentrate our attention in equal measure on these two functions, the legislative and the supervisory structure was proposed at congress, to be discussed by the Supreme Soviet. The Presidium's work will be focussed more upon ensuring the organization and supervision of accurate work of committees, commissions, and chambers; that is, the organizational work which the Supreme Soviet Presidium is, in fact, designed to do.

[Mikhailov] There are structures, such as the extraordinary commission for food, which deal with specific tasks, with matters of executive structures, and often, doubtless, questions relating to the activities of executive committees were raised in the presidium. If these matters are now given over to some special body, will this have any effect on the efficiency of the presidium's work, that is, on legislative activity?

[Khasbulatov] Of course, because we shall naturally have more time and the opportunity to devote more time directly to the activities of the Supreme Soviet and to ensuring conditions for its normal functioning and normal operations, including ensuring conditions for the work of every deputy located here permanently, both members of the Supreme Soviet and people's deputies released to fulfill duties in committees and commissions. So, it will be a very serious stimulus for considerably enhancing the effectiveness of the work of the Supreme Soviet and its presidium.

[Mikhailov] The question of the deputy chairman of the Supreme Soviet was raised several times at the congress, including when there are various combinations of two or six people. Do you think this sort of redistribution in terms of activities and spheres of activity among the deputies is justified?

[Khasbulatov] No! This principle is already disappearing. It has in effect disappeared already, insofar as the presidential system, as I have already said, assumes that a considerable part of the functions of the presidium in particular is being transferred to the president. So, there is, of course, no sense in having such a number of deputies. [passage omitted] It is quite another matter—I was an opponent of such a conflict, a great deal of unpleasantness in resolving this issue, it must be resolved in a rather delicate way—that the deputy chairmen, who have been released from their duties, must without fail be given normal employment.

There is another aspect to the problem, too. The fact is, as we discussed at past congresses and in the Supreme Soviet, that given the increasing role of the republics forming part of Russia, and their own declarations of state independence, and in order to strengthen the ties between the supreme soviets of the republics and the Russian Soviet Federated Socialist Republic, [RSFSR] it is expedient to bring in the chairmen of the supreme soviets of the republics as deputy chairmen of the RSFSR Supreme Soviet. This will strengthen our ties and regulate mutual relations, will genuinely enhance their status and will generally provide greater stability within the Russian Federation itself. But, such deputy chairmen will not necessarily be members of the presidium. The presidium is a standing body, it has to meet quite often, as you know, to resolve specific issues. They would represent their republics, as deputy chairmen in the Supreme Soviet. [passage omitted]

[Mikhailov] In connection with this, a question relating to the Union treaty. The resolution adopted by the Supreme Soviet, the resolution dictating the activity of the state delegation of the RSFSR, lays down pretty serious conditions and pretty polemical issues, perhaps. How will this affect the position of the Russian state delegation as a whole?

[Khasbulatov] Well, you see, these are negotiations. We formed the state delegation to conduct negotiations. In all negotiations, there must, of course, be mutual steps made to accommodate the other side, things and positions unacceptable for both sides must be rejected. I hope, all in all, the demands expounded in the RSFSR Supreme Soviet resolution must, of course, be the subject of very serious analysis and discussion and negotiation, and I hope that they will be successfully completed.

[Mikhailov] To take this question further, I want to know what impact the formation of structures of presidential power and structures of executive power will have upon the work of signing the Union treaty and, in general, the emergence of new conditions. Will the positon of Russia, of the leadership of Russia, change in regard to this treaty?

[Khasbulatov] Indeed not, we shall implement what we agreed to at the Supreme Soviet. One must not change one's position in such a short time on such fundamental issues. You are aware how thorny and difficult were the roads to recognition of the need for such a treaty, in terms of the content. There was never any question for us, of whether there was to be a Union treaty or not, and we have always said, quite honestly, yes, we are supporters of a Union treaty. [passage omitted] All our activity during this year about the Union treaty consisted exactly in the fact that we do not have the right to recognize those provisions of the draft Union treaty which are clearly at variance with the decisions of the first Congress of People's Deputies. [passage omitted]

If the independence of the RSFSR were not ensured, how could we in actuality ensure, for instance, the independence, the enhancement of the independence of our republics which form part of the RSFSR? That was the issue there. Some of our republics within the RSFSR did not quite understand the position: The greater independence we ourselves acquired within the framework of the USSR, the more independence we could give to the republics of the RSFSR, in the economic, political, social issues, cultural construction, and so on. But, I think that all the same, we are starting to reach an understanding with our republics on this matter. [passage omitted]

Khasbulatov News Conference Cites Reforms, Taxes

LD1907202291

[Editorial Report] Moscow Radio Rossii Network in Russian 1300 GMT on 18 July broadcasts an 18-minute report by correspondent Sergey Belyayev on the press conference given by Ruslan Khasbulatov, first deputy chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet, at the White House of Russia. He presented recorded excerpts of Khasbulatov speaking about two trends in the work of the Congress of RSFSR People's Deputies, one aimed at transformations, actual modernization, and deepening of reforms, and a line opposing the reform strategy with some success. Khasbulatov speaks of the need to amend constitutional instructions regarding the congress. He discusses the nomination of candidates at the congress, mentioning Shakhray, and says that he did not very much want to be elected, but that he saw that a person with a sense of responsibility had to run for the post. For him achieving this post was not an aim in itself.

Khasbulatov says that approximately 50 draft laws have to be processed in the fall. He sometimes finds complaints about himself addressed to him unpleasant, he adds.

Regarding the signing of the Union treaty and the possibility of the Baltic republics becoming signatories to the Novo-Ogarevo agreement, Khasbulatov says: "In the next few days one must completely exclude the signing of it. We have approved that Union treaty and in no simple manner, not so that almost everything is ready and nothing is being changed. There are plenty of reservations, moreover quite justified ones with which I personally cannot fail to agree, including the tax system. it is not just a matter of our trying to isolate the tax system for Russia alone, as Prime Minister Pavlov frequently accesses us of, of undermining the unity of the state as a whole. First, this is not true."

He illustrates his reply with the example of federal taxation in Germany and then returns to the soviet taxation system. "You see, with the existing tax system, we do not even know how much money specifically, what sum goes to the central apparatus, to the central administration. We are not in a position to monitor the volume of resources being concentrated in the central administration. We are not in a position to monitor the volume of resources being concentrated in the central administration. Therefore they are free. They can, without control, make any amount of investments in the construction of aircraft carriers, for example, or in the creation of some kind of new types of armaments, which are absolutely unnecessary, in the military and industrial complex. And although I have never been opposed to the fact that there should be an army, that it should indeed be centralized, should be subordinated to the country's president, so I do not question this. It is another matter that we should precisely know how much. it is exactly for this reason that we want to monitor this. If the central administration needs more for its upkeep, then let the relevant government experts of the central administration substantiate the fact that an increase is needed. The Supreme Soviet of Russia will probably take into consideration such demands, or wishes or requests from the central administration, the substantiation for them. This is, you see, the fundamental approach, and not just an attempt to mess up something or someone, and so on."

He continues that a whole number of other issues were agreed on, but that the above issue is a substantially complicated one. He thinks that the treaty may be signed in the next few days or perhaps weeks. Khasbulatov states: "But at the same time it is clear to me that one cannot be put it off either, and that not only internal factors require that it should be signed, but international ones as well. I think that when the text has ultimately been agreed on, as some of the republics have not become part of the Union they can make provisos regarding their participation, that with the exception of certain points they will join the Union and receive the corresponding status."

Khasbulatov goes on to talk about the tendency toward integration, but stresses that the republics are tired of the super centralized approach and want to try to live without it. He believes that they should be given the opportunity to live as they like.

Regarding his attitude to the Movement for Democratic Reform and to the Communists for Democracy movement, he replies that he has a firm, approving attitude to both movements, that they may make political life more healthy. He says he has not joined them because he has not had the time, since he has a more packed day than Rutskoy or Silayev.

Shevardnadze Briefs Council on Movement Plans

OW2207043891 Moscow INTERFAX in English 0930 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] The Council of Representatives of the Democratic Russia movement is opening an extraordinary plenary meeting in Moscow at 11:00 on Saturday. Its agenda was laid down at a sitting of the movement's coordination council on Thursday.

The two-day forum plans to consider the situation in the democratic movement following a call to establish a Movement for Democratic Reforms and a national united democratic party. It will also cover the Democratic Russia's participation in the mayoral elections, a schedule for the movement's 2nd congress and the results of the recently-ended RSFSR [Russian Soviet Federated Socialist Republic] Congress of People's Deputies.

Eduard Shevardnadze, one of the organizers of the Movement for Democratic Reforms, spoke at the Coordination Council sitting on Thursday about the results of the latest meeting of the organizing committee for the preparation of the movement's constitutent congress. Shevardnadze did not rule out the possibility that the movement may joint the Democratic Russia or its Russian chapter as a collective member. He also expressed his readiness to join the Democratic Russia, said the Coordination Council.

Democratic Russia Plenum Ends in Moscow

LD2107223791 Moscow Radio Rossii Network in Russian 2000 GMT 21 Jul 91

[Text] The plenum of the council of the representatives of the Democratic Russia Movement ended its work in Moscow today. Our correspondent Anton Grishin reports:

[Grishin] Compared to the stormy discussion that took place yesterday and that resulted in the plenum's official appeal to participants of the democratic movement, today's work was like a piece of chewing gum which, depending on the circumstances, was either stretched or chewed again. There were numerous vacant seats in the hall. This was not surprising. It was clear at noon that there would be no quorum. It seemed the majority of delegates simply went home thinking the plenum resolved all its problems. Those remaining were left with nothing else to do but to go through the problems of the (?previous) day once again and to welcome the decree by the Russian president which was published yesterday. The day ended in [word indistinct] debates on elections to local bodies of power. They also discussed the problem of electing mayors of Russian towns. The work of the plenum was concluded at this point. Delegates return home until the end of September-beginning of October, namely until the beginning of the congress. The situation in the Democratic Russia Movement possibly will be clearer by then. Let's hope. Anton Grishin, Radio Russia news service.

Deputies Seek NATO Observer Status

LD2007043891 Moscow Radio Moscow World Service in English 2000 GMT 19 Jul 91

[Text] The delegation of MPs of the Russian Federation that visited NATO headquarters in Brussels was led by the chairman of the parliamentary Committee on Defense and State Security, Sergey Stepashin. This was the first time that the Russian Federation had voiced its military and political concerns abroad as a sovereign republic, so our corrspondent asked the chief delegate what had primarily interested his group.

[Begin Stepashin recording in Russian fading to English translation] Our delegation had three main goals. First, to find out what NATO was like today and whether it constituted a potential danger to the Soviet Union, and specifically the Russian Federation. Second, to impress upon the NATO leaders that restructuring in the soviet military sector will largely depend on political and military reforms in NATO. And Third, to suggest the participation of an MP of the Russian Federation in the NATO assembly as an observer.

We were shown just about everything we wanted to see, including documents. We met NATO leaders, including Secretary-General Manfred Woerner, who impressed us with his knowledgeability and his attitude toward developments in the Soviet Union, and specifically the Russian Federation.

NATO is undergoing serious political changes, and what is more important for us, military changes. There is no more talk about a threat from the East. Most East European countries have asked for admission to NATO, but NATO has refused them lest the balance of strength be upset.

We were told NATO was ready to start a constructive dialogue with the parliaments of the Soviet Union, the Russian Federation and other Union republics through contacts at different levels, including permanent observer status. The NATO leaders also offered to send a group of experts to the Russian Republic to render free assistance in converting the munitions industry. [end recording]

More on Party Politburo's 19 July Session

PM2107191991 Moscow PRAVDA in Russian 20 Jul 91 Second Edition p 5

[RSFSR Communist Party Central Committee Press Center report: "At the RSFSR Communist Party Central Committee Politburo"]

[Text] A session of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Central Committee Politburo was held 19 July 1991. The question of the Belgorod Oblast party organization's work in ensuring Communists' participation in implementing the program to revive the countryside and develop the agro-industrial complex was discussed with the participation of a large group of agricultural sector specialists and leaders. The questions of the position in the youth movement, RSFSR party committees' tasks in working with young people, and party organizations' tasks in connection with the adoption of the RSFSR Law "On the Rehabilitation of Repressed Peoples" were examined.

The problems of social movements and cooperation were discussed with the RSFSR Communist Party Central Control Commission Presidium, as was the question of various trends within the party.

Questions of preparations for the forthcoming RSFSR Communist Party Central Committee plenum were also discussed.

Kozyrev Reviews Romania Visit, Lithuanian Treaty

LD2007044491 Moscow Russian Television Network in Russian 2000 GMT 19 Jul 91

[From the "Vesti" newscast]

[Text] On 16-18 July 1991, Andrey Vladimirovich Kozyrev, minister of foreign affairs of the Russian Soviet Federated Socialist Republic, completed an official visit to Romania. That was the first visit by a Russian foreign minister to a foreign state. He was received by all the leaders of the country. In a "Vesti" interview he said that he was satisfied with the talks.

[Begin recording] [Kozyrev] The aim of the visit was to prepare the ground for the official visit by Boris Nikolayevich Yeltsin. It is planned for the end of autumn.

[Unidentified correspondent] The main news of the last twenty-four hours was the decision to sign on 29 July a treaty between Russia and Lithuania. That hasgiven rise to a certain alarm among the people of Kaliningrad Oblast, which does not have a common Russian border.

[Kozyrev] Of course, we could not agree to sign such a treaty without having the firm guarantee that Kaliningrad will not be cut off and that its economic and other interests will be guaranteed. We can now be sure of that. I have to say that the Lithuanian leadership appreciates that. [end recording]

Kulik Discusses 'Augrage' Grain Harvest

LD1907222591 Moscow Central Television First Program Network in Russian 1800 GMT 19 Jul 91

[Interview granted by Russian Soviet Federated Socialist Republic, RSFSR, Agriculture and Food Minister G.V. Kulik to correspndent Valeriy Golubev; place and date not given—recorded; from the "Vremya" newscast]

[Text] [Golubev] Will there be grain in Russia?

[Kulik] The situation in Russia today is indeed mixed. True, in any year it hasn't been marked by our not having some regions suffering from drought. In the Volga region, too, the weather has been capricious. Everyone knows, and the people of Moscow have felt this, that here, for over two weeks, temperatures have been very high. This at a time when the grain is ripening. Naturally, the yield has fallen considerably.

So that our viewers may have an idea, I have here a summary of the figures as of yesterday, and I just want to acquaint you with it so that you may have an idea. In Russia as a whole, as of yesterday, the harvest amounted to 27 quintals per hectares. It had been 39. I think we won't now get the planned gross yield, that's clear. Well, judging by the way the threshing is going today, I think we can expect the average harvest of the last four or five years. Of course, in conditions in which the gross yield will be below plan, it's going to be considerably... [changes thought] a difficult matter to solve the problem of providing the republic with grain. So it's not for nothing that the well-known resolution—rather instruction, of the Supreme Soviet and Council of Ministers on supplementary measures to form the food reserves for the current year has been taken. And the whole measure is built precisely on the development of market relations and the forming of a Russian grain market. We'll be continuing to work in that direction so as to switch sometime, as we'd like, to the sale and procurement of grain on the exchange system, which would be entirely in accord with the interests of the producers, and I think with the interests of the state, so that it may in this way draw in still more of its grain resources.

[Golubev] Gennadiy Vasiliyevich, we know that imports are today a sore point.

[Kulik] One thing is clear: The program of joint action which has been approved by the president, and published, now transfers to the republics the right to issue licences and set quotas for deliveries of produce for export and carry out barter deals. I think that simultaneously with the setting of volumes of procurement we will make a final decision as to how this produce is to be procured.

Belorussia

Deputy Says Republic in Grip of Communists

LD1907193491 Moscow Radio Rossii Network in Russian 1350 GMT 19 Jul 91

[Text] Our Slavic neighbor, Belorussia, seems to be set to elect a republican president this year. In any case, the question of the presidency is to be included in the agenda of a routine session of the Belorussian parliament. Leonid Sviridov, our Minsk correspondent, spoke to Yevgeniy Novikov, member of the parliamentary opposition and a republican people's deputy.

[Begin recording] [Novikov] Regrettably, the political situation in the republic is such that the abolition of Article 6 of the Constitution has not changed anything fundamentally. a one-party political system headed by the Belorussian Communist Party and, especially, by its Central Committee, has been preserved. There are no conditions in Belorussia for implementing the principle of delimitation of powers, a fundamental principle of a law-based state. suffice it to say that the Belorussian Supreme Soviet numbers 84 percent of Communists. Therefore, the opposition regards presidential elections as a path toward strengthening the power of the Belorussian Communist Party Central Committee but in the guise of a president. In fact, this would mean nothing but a further exacerbation of the situation. The opposition, that is, ourselves, can actually embark on a revolutionary path of development. The opposition understands this and is doing everything possible to discuss the issue of a parliamentary republic, not a presidential one.

[Sviridov] Yevgeniy Viktorovich, it seems we will get a president anyway, and it seems that Vyacheslav Kebich, our present prime minister, will become the president.

[Novikov] Time will tell who will become our president; in my view, however, Vyacheslav Frantsevich Kebich could have real claims on this post only if he frees himself from the Communist Party Central Committee's influence, at least a little. This influence is very real and profound today. [end recording]

Ukraine

Grinev Says Republics Support G-7 Visit

LD2107000491 Moscow TASS International Service in Russian 1755 GMT 20 Jul 91

[Excerpts] Moscow, July 20 (TASS)—As a result of the meeting between USSR President Mikhail Gorbachev with the G-7 leaders in London on July 17, the USSR has come out on the path of integration with the world economy—such is the view of specialists, judging from reports by TASS correspondents. [passage omitted]

Vladimir Grinev, deputy chairman of the Ukrainian Supreme Soviet, placed high value on the meeting between Mikhail Gorbachev, the USSR president, and the G-7 leaders. In an interview with republican journalists, he noted that he sees many positive elements in the trip of the Soviet leader to London. One of the most important of them, according to Vladimir Grinev, is the fact that the West has realized that there is the need to hold dialogue not only with the center but also with the republics. In Grinev's opinion, the USSR president "as a flexible politician, has managed to enlist the support for his visit of the republics." [passage omitted]

Presidium Resolution on Military Service Noted

LD1907202491 Kiev Radio Kiev Network in Ukrainian 1500 GMT 19 Jul 91

[Text] The Ukraine Soviet Socialist Republic [UkSSR] Supreme Soviet Presidium has adopted a resolution on the course of implementing the resolution and instructions of the UkSSR Supreme Soviet on issues of active military service by citizens of the republic. It stresses that the implementation of documents issued earlier regarding these issues has had a positive effect on the military service of Ukrainian young men and has promoted social protection of servicemen. It is also noted that in some oblasts, that is, Ivano-Frankovsk, Volhynia, Lvov, and Chernovtsy, there are cases of violation of the prinicple of voluntary choice of the place of service, the legislation on universal military service, and so forth.

The UkSSR Supreme Soviet Presidium has set up a special commission to examine appeals from citizens of the republic on issues of death or mutilation of servicemen during their military service in the USSR Armed Forces, MVD [Ministry of Internal Affairs] and KGB troops, railway troops, and military construction units located both on the territory of the UkSSR and outside its borders.

The text of an appeal by the UkSSR Supreme Soviet Presidium to soviets of people's deputies of all levels, their executive committees, command of military units and ships, servicemen, draftees and their parents, and public organizations of the republic has been approved. The text of the appeal is published in the press.

New Workers' Movement Likened to 'Solidarity'

LD1907153591 Kiev Radio Kiev International Service in Ukrainian 2200 GMT 18 Jul 91

[Excerpts] This is the Ukrainian Solidarity—that is how some people referred to the recently created All-Ukrainian Association of Workers' Solidarity [AUAWS]. Whether or not it is said for sheer effect, the fact is that the appearance within the workers' movement of such an organizational structure has been noticed by many. The AUAWS came into being a month ago.

The idea of creating this sort of body for coordinating strike actions matured a long time ago. This spring, an attempt was made to create a pan-republican strike committee, but it soon became ineffective. That is why

this June the representatives of almost all regions of the republic, and of their strike committees—only the Crimea was not represented—gathered in Kiev and created the All-Ukrainian Association of Workers' Solidarity.

Judging from its program tenets, the AUAWS will protect the material, social, and cultural interests of workers, fight against command-administrative diktat, and press for denationalization and privatization at enterprises for the benefit of working people.

This is the economic side. However, the new organization also has political aims—the main one of which is that no new Union treaty be signed until the Ukraine adopts its own constitution and becomes a sovereign state.

Will the AUAWS be able to unite efforts of all workers? What is the view of workers themselves? Here is Viktor Nikitov, miner from Donetsk.

[Nikitov] Yes, we need this association in order to coordinate our actions, especially all matters regarding planned strikes. [passage omitted] I think the association will grow into an association of trade unions. [passage omitted]

Democratic Congress Meets in Kiev

LD2007092791 Moscow TASS in English 2020 GMT 19 Jul 91

[By UKRINFORM-TASS correspondents Aleksandr Belov]

[Text] Kiev July 19 TASS—Participants in an extraordinary session of the Consultative Council of the Democratic Congress discussed here today their attitude to the "Movement for Democratic Reforms" (MDR), the United Democratic Party of the USSR and the Democratic Party of the Communists of Russia.

Representatives of 42 parties and movements from 13 union republics (except Georgia and Moldova), also considered the role and place of the Democratic Congress in present-day conditions.

"We were prompted to meet here by those stormy political processes that are taking place in the Soviet Union and in the world," Anatoliy Zhivotnyuk, co-chairman of the United Democratic Party of Belorussia, who presided over at the session, told TASS.

"We support the MDR's aspiration for the deepening of the democratic process and resolute transition to a market economy. However, we cannot agree with the MDR's approach to the national-state reforming of the USSR and with the MDR's address only to those members of national movements and parties that advocate the preservation of the single state," he said.

The democratic congress suggests an idea of creating a community of sovereign states, Zhivotnyuk said. "We are confident that support by the MDR Organizing Committee for this idea is capable of making the MDR an ally of the democratic forces of all union republics while the drawing of our positions on national-state reforming of the USSR closer together would furnish a basis for organisational identification.

"The most acceptable form of such identification is a confederative coalition, the purposes of which could be a peaceful elimination of the totalitarian regime, the dismantling of the USSR structures, its conversion into a community of sovereign democratic law-governed states.

"With this end in view, we suggest holding a round-table meeting of the MDR organising committee and the consultative council of the democratic congress" Zhivotnyuk said.

The session set up a new working body—a Kiev-based Organising Bureau which is to ensure permanent contact between members of the democratic congress and establish information exchanges.

A regular session of the Consultative Council will be held in Bishkek, Kyrgyzstan, on September 7-8.

Seminar on CPSU Agrarian Policy Discussed

LD1907205891 Kiev Radio Kiev Network in Ukrainian 1500 GMT 19 Jul 91

[Text] The seminar-consultation of secretaries of central committees of the Communist Parties of Union republics and of party committees, rayons, krays, and oblasts that took place in the Ukraine examined the issues of implementing the CPSU's agrarian policy in present conditions. Leaders of state and economic bodies, scientists, and specialists also took part in the seminar. Those taking part in the consultation expressed themselves in favor of increasing the party's work among the peasants, speeding up land reform, developing a mixed economy, motivating labor, ensuring a real priority of supply of materials and machinery to rural areas, unconditional support of the parity of prices for manufactured goods and agricultural products, and radical restructuring of social conditions of life in rural areas. Grintsov, member of the bureau and secretary of the Communist Party of Ukraine Central Comittee, secretaries of the Central Committees of the Communist Parties of Belorussia, Tajikistan, and Moldova, and first secretaries of several oblast party committees presented reports at the consultation.

Miners Start Meeting To Create Trade Union

LD2007214991 Kiev Radio Kiev International Service in Ukrainian 2200 GMT 19 Jul 91

[Text] The conference of representatives of miners' collectives of the republic started today in Krasnoarmeysk, a town of miners in Donetsk Oblast. What is its objective? I ask this question to my colleague, Serhiy Hubin.

[Begin Hubin recording] The main objective is to create an independent miners' trade union of the Ukraine. That is what the importance of this conference and its representation is based on. Along with Donbass miners colleagues from Lvov-Volhynia coal basin are also participating. However surprising it may be, the republican trade unions urged Ukrainian miners to take such a resolute step. In the view of those taking part in the conference in Krasnoarmeysk, the latter turned out to be [word indistinct], incapable of championing interests of the working people. The spring strike of Ukrainian miners proved that. Then the Council of the Federation of the Independent Trade Unions of the republic took a neutral position and supported only certain damands of strikers, mostly the economic ones, and completely dissociated themselves from the political ones such as the resignation of Mikhail Gorbachev and dissolution of the Union parliament.

However, in the miners' environment itself a complex situation has now taken shape. This includes the issue of the structure and activities of the Ukrainian Independent Trade Union of Miners, and whether it will be a part of the Union trade union of the industry. If so, on what terms—federative or confederative? Judging by everything, these variants are acceptable for Donbass miners. Their colleagues from Western oblasts of the Ukraine, however, stand for complete independence of their trade union. The main discussion is on this issue at the conference in Krasnoarmeysk today. [end recording]

Police Detain Deputy Khmara After Incident

OW2207050791 Moscow INTERFAX in English 1230 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Ukrainian deputy Stepan Khmara was put in custody last night after a fierce fight between a group of his supporters and the police. Khmara, who is being prosecuted on a charge of assaulting a police colonel during the celebration of the last anniversary of the October Revolution, refused to attend the trial, which was why the judicial panel decided to put him in custody.

The police arrived at the hotel where Khmara was living at 8 o'clock last night. Khmara did not open the door, whereupon the police broke it down. A group of Khmara's supporters who were inside tried to stop the police, and a fight ensued, in the course of which the police used Cheremukha 10 teargas. According to the police, there were some 40 people in the suite. Ten policemen were injured in the fight and were taken to hospital. Nine people were arrested in addition to Khmara. Three of them were given medical assistance.

At 9:20 p.m., Khmara was brought to prison, but his supporters protested until 11 p.m. Some 300 people blocked the road in front of the hotel, but were dispersed by non-violent means.

Moldova

Interview With President Snegur Published

AU1907090791 Bucharest ROMANIA LIBERA in Romanian 16 Jul 91 pp 1, 5

[Interview with Mircha Snegur, president of the Republic of Moldova, by Ion Pavelescu; place and date not given: "A Slightly More Favorable State of Affairs for Romanians Across the Prut River"—first paragraph is ROMANIA LIBERA introduction]

[Text] Being in Chisinau [Kishinew] to participate in the conference on the Ribbentrop-Molotov Treaty and its influence on Bessarabia, I took advantage of the opportunity to meet with Mr. Mircha Ion Snegur, president of the Republic of Moldova, to ask him for an interview. Despite the fact that he was very busy dealing with so many problems and also was involved in the discussions of the conference, the well-known dignitary still found time to receive us and to conduct the following dialogue.

[Pavelescu] How do you assess the situation in your republic?

[Snegur] I dare say that it seems that there is a slightly more favorable state of affairs for Romanians across the Prut River. Politicians and economists have a short respite to think at greater leisure and, therefore, more thoroughly about how to solve the multiple pressing problems. However, the center [Kremlin] ensures that our existence is not—by any chance—too easy. It continues to exert pressure, particularly through its local representatives. I will quote a single example. We posed the question of moving Lenin's monument from the central square of the city to a somewhat more peripheral place. The heart of our capital has to become a sort of sanctuary for us. Here we have placed the statue of Stephen the Great and Holy. We are going to erect statues for other rulers as well. It was not right to leave a relic here that reminds us of sad times. Similar measures have been taken in the capitals of almost all Union republics. There was no opposition to it by anyone. It seems as if the Russians who found shelter in our area are worse than those who settled in other parts. They made a tremendous hullabaloo. All of a sudden, next to the granite colossus, which—let's face it—even from an artistic viewpoint has no grace, soldiers appeared, ready to stop the workers doing their duty. This has just been one instance. We are constantly attacked in connection with the question of consumer goods supplies. There is an acute shortage of such products throughout the Union. However, we alone are held responsible for it. And each time we are criticized, we are also provided with a remedy: to sign the Union treaty at all costs. After this, milk and honey will flow abundantly.

[Pavelescu] Talking of the treaty, what is your current position on it?

[Snegur] As we have done so far, we are struggling to strengthen the sovereignty of our republic. There are two

Romanian states and they are developing side by side, and we certainly maintain the closest and most fruitful relations. This position—the only reasonable one in the current situation—was also reaffirmed during my stopover in Bucharest.

[Pavelescu] We understand that you are also attacked because of this attitude. What forces are acting against you and what alternative do they propose?

[Snegur] First and foremost, it is the Moldovan Communist Party that opposes this option. The Communists support the CPSU and are working toward what its representatives term a renewed Union.

[Pavelescu] If I understand CUVINTUL right, this party talks about a union of sovereign states. In your speeches we came across the syntagma community of independent states. What is the difference?

[Snegur] There is an essential difference. The Moldovan Communist Party and other forces close to it view the Union as a complex of states in which the center continues to preserve its main prerogatives and leadership levers. Actually, the changes that might occur would not go beyond the cosmetic stage. We advocate decentralization. This is what it boils down to. There has been much talk of late about the Nine plus One formula. No one knows what it will look like in practice. We are not in a hurry. We shall see how things develop and we will make a decision at the right time.

[Pavelescu] Here is a question that would enlighten the readers in Romania: Is the Moldovan economy still controlled by the center?

[Snegur] A proportion of at least 50 percent is still controlled by the center. We are preparing a law that will bring the desired change in this respect. The Ukraine, for instance, has gone beyond us. It has not become the owner of the entire economy, but it has placed the economy within the control of its bodies. We have something similar in mind, because one cannot conceive of sovereignty, without the necessary economic foundation.

[Pavelescu] Traveling to Chisinau by way of Albita-Leuseni, I was looking at the fields. They are looking beautiful. Are we to understand that you expect large crops?

[Snegur] After so many years of scorching droughts, this year it seems that we have somewhat larger crops. White bread—wheat, barley, and rye—is promising. The situation of industrial plants is also pleasing—sunflower, sugar beet, and tobacco. Vineyards and orchards are full of rich harvests. This makes us hope that we will be able to improve the people's supplies.

[Pavelescu] With you as a doctor in agricultural sciences, it is a pleasure to talk about fields and their fruitful crops. However, we cannot circumvent certain problems that have had a strong and—I do not want to hide it—painful resonance in Romania. How would you comment, for instance, on the dismissal of Premier Mircha Druk, whom we view as a great fighter for the victory of Romanianism?

[Snegur] You have asked me frankly and I will answer your question frankly. I think we should not make a tragedy of this event. Prime ministers are replaced in all civilized countries. In our case, four of the five deputies' clubs set up in parliament were in favor of it. Druk has been and continues to be a great figure. He will be able to find his own niche in the configuration of political forces.

[Pavelescu] I will continue in the same sincere vein. Could it be that Moscow has a hand in it or am I wrong?

[Snegur] Mircha Druk has never been too submissive. Therefore, such a figure ends up being uncomfortable. Of course, there was also pressure.

[Pavelescu] Mr. President, in the same vein, I would like to remind you of the episode with the black berets disembarking in Tiraspol, apparently because of bad weather conditions. Actually, there was an attempt to use force in Moldova as well. Do you expect the center, lacking arguments, to resort to violence in the future as well?

[Snegur] Anything can be expected from the center. We may have trouble again. However, we will not let ourselves be intimidated.

[Pavelescu] Shortly before I was received by you I read the article published by PRAVDA in connection with the Chisinau open conference on the Ribbentrop-Molotov Pact and its consequences on Bessarabia. That article is full of insults and poison and, on top of all that, threatening. What is your comment on it?

[Snegur] I have also read that article. Yes, the center misses no opportunity of warning us that, were we to get too close to our relatives across the Prut River, we would encounter great trouble. However, I do not think that this should be of special concern for us. In conclusion, permit me to take this opportunity to convey cordial greetings and wishes for peace and prosperity to the readers of ROMANIA LIBERA.

Kazakhstan

Magazine Profiles Kazakh President Nazarbayev

PM1907150091 Paris BUSINESS IN THE USSR in English No. 14, Jul-Aug 91 p 72-74

[Irina Konovalova article: "Nursultan Nazarbayev: Stepping Into the Leadership"]

[Text] Nazarbayev had an aura of success around him from the beginning; his name "Nur" means "lucky man" in Kazakh. The son of a shepherd, he dreamed of becoming a pilot, but ended up operating a blast furnace. However, it was not long before Nazarbayev found himself on the ladder of success that led him up to the dizzy heights of power. A year ago, 50-year-old Nazarbayev was elected the first president of Kazakhstan, which is the USSR's second largest republic after the Russian Federation.

At first he corresponded fully to the classsical stereotype of a Soviet leader, but today Nazarbayev is widely regarded as a new-generation leader.

The market?

When this imperturbable man mounts the rostrum and begins to speak in a calm voice, he comes across as a man who is completely sure of himself.

However, if one talks to him during a break in parliamentary proceedings, in the Kremlin "smoking hall," the picture is totally different. The Kazakh president hides his cigarette in his fist, just like a boy, flashes his broad smile and warns: "Don't think that just because I hold a high post I know everything. No, I'm still learning every day." He becomes serious. "What's more, don't ask what we're building in Kazakhstan—communism or capitalism. I'm tired of this tedious question. We have believed in myths for too long. We now want to fling the doors wide open to life and civilization. But we will never pass through them unless we cease our fruitless arguments over which 'ism' is better. It is high time we admit that movement towards the market is incompatible with calls to preserve loyalty to socialism. There is nothing more to it than that."

For Nazarbayev, the entire world seems to be divided into what "is compatible" with the market and what contradicts it. He is still head of his republic's communist party. He is well aware that the political party is a powerful structure of government. It is exactly for this reason that he will use this system as best he can, because democratic structures still remain weak and ineffective.

Horizontal links

However, the Kazakh president's resolution to cast off worn-out dogmas marks him out from other card-carrying reformers. For the majority of the old party elite, the rejection of "pure" ideology—its only trump card—means loss of power. Nazarbayev himself is in a strong postion, since he always occupied posts related to the economy: oil, ores, engineering, agriculture, new technology.

The president is convinced that the market economy will make Kazakhstan prosperous. He agrees with the radical-minded reformers on this point. But the "new wave" leaders usually display too much romanticism upon assuming power and show little practical knowledge of how things can be done. Nazarbayev is both experienced and pragmatic.

Last autumn the leader of an Asian republic that used to toe the Moscow line conducted himself for the first time as "a totally different man". This happened when the country's factories were on the verge of closing down due to failures to meet delivery deadlines. The Union government could not do anything and gave up, leaving the new republican leaders to face the angry managers of stricken enterprises.

Thanks to his managerial experience, Nazarbayev singlehandedly managed to save up to 90 percent of the negotiated contracts. His authority among plant managers became practically indisputable. After that, however, what had been an isolated economic operation developed into a major campaign to conclude the so-called "inter-republican economic agreements". The Centre was highly sceptical.

It was strange that the cautious and wary Nazarbayev not only took part, but was also one of the main initiators of these "horizontal links". He demonstratively promoted contacts with Boris Yeltsin and mediated between Central Asian neighbours and Western regions. This marked the first time that the republics had tried to get their claims to sovereignty accepted. The newly-elected leaders "exchanged credentials" by openly reaffirming their readiness and ability to cooperate directly, without needing high-placed go-betweens.

Moreover, they quite explicitly gave up "friendship for party and ideological reasons" for business and economic partnership. The fact that the alignment of forces became much clearer and the vision of a future union better defined gave important leverage during further juggling for power with the Centre.

The Kazakh president displayed enviable far-sightedness by being in at the beginning of a new process. This further strengthened his authority and made it possible to influence work on the Union treaty. Kazakhstan needs the new treaty as it needs air.

We're not leaving

According to Nursultan Nazarbayev: "Four years ago the Baltics asked only one thing—economic independence. But their plea fell on deaf ears. Everybody should have been given economic freedom then: here is freedom, here is responsibility before the people and, since we are a single state, this is the taxation to pay for the upkeep of the central government. Instead, they clung to power,

trying to hold the republics back by force. This triggered off a wave of demands for sovereignty. Naturally some republics now want to break away altogether. There are no such prospects in sight: the Centre is marking time and tying our hands down. But we are not leaving! However, at the same time nobody is going to renounce his new-found sovereignty."

Nazarbayev is a convinced federalist. Presumably because he is a realist. First, the "self-determination" of Kazakhstan is untenable today due to several major reasons of a national, social and political nature. Second, it pays Kazakhstan to stay in the Union. Why should a predominantly agricultural republic, which exports only 18 percent of its finished output, lose a huge market for its raw materials?

Nazarbayev is not going to let the fabulous riches leave the republic for a token price. That is why he sees the Union treaty as a chance to rapidly materialize many of his economic claims.

Today Kazakhstan produces 70 percent of the country's lead, zinc, titanium, magnesium and tin, 90 percent of its phosphorus and chrome, 65 percent of silver, 30 percent of copper, and up to 60 percent of molybdenum. It also provides 142 million tons of coal and 30 million tons of grain annually (wheat contains 32 percent of gluten in accordance with the world standard)... Products from Kazakhstan earned the central government 1.7 billion dollars, out of which not a single cent found its way into the republic's coffers.

Naturally, Kazakhstan wants its share of foreign-currency earnings. Nazarbayev does not insist on putting payments onto a negotiated basis, but this is a tactical ploy because it is more advantageous for Kazakhstan to sign the Union treaty in order to continue deliveries to the internal market at undervalued prices, in exchange for the right to deal on the foreign market.

The republic's president has managed to uphold the interests and independence of Kazakhstan to the maximum in talks about the new Union treaty. He is now adamant that the policy of the Centre should not harm the sovereignty of the republics and he is becoming increasingly unyielding in making his position on many crucial issues dependent on this.

He has no other way. He either becomes a genuine president of a truly sovereign Kazakhstan and carries out his reform plans, or he must remain without rights, a beggar dependent on the Moscow authorities.

So far Nazarbayev's policy has not hit a single snag. The more often the Centre yields, the higher is his rating.

Waiting for the miracle

The Kazakh leader has his own vision of economic development, based on privatization, demonopolization, support for entrepreneurship and independence of enterprises, wrote the New York Times in July last year, during Nazarbayev's visit to the United States. Soviet newspapers were soon awash with stories about "economic experiment". But no miracle was forthcoming. Nor are there any radical economic reforms, at least not as long as Moscow continues to hold the key to solving basic problems. The Centre alone can start price reform and liberalization, combat inflation, stabilize finances, settle property disputes between the union and the republics and decide on privatization. This is because the economic fabric of the country is still intact.

In the meantime, Kazakhstan is moving towards the market, very rapidly and successfully. What is taking place here today is indeed unique, because it is normal. The republic is gearing itself up for the market.

But how? A year ago Nazarbayev organized the Supreme Economic Council under the president. He was the first in the Soviet Union to enlist the services of renowned Western economists, as well as the best Soviet scholars, to work on and analyse economic programmes.

Mikhail Gorbachev hinted in a recent speech about the Kazakh leader, whose actions he follows with a certain degree of jealousy: "Some people are being carried away by Western ideas."

Nazarbayev understood the hint, but was soon busy convincing the managers of the republic's large enterprises to create the Foundation of the Kazakh president. Named "Specialists of Perestroika," it aims to send young people to study abroad.

The Soviet president has now agreed to turn to Western experts for help. It is not accidental that the task of mediation was entrusted to a co-author of the "500 days" programme, Grigoriy Yavlinskiy, who was invited with his team by Nazarbayev to work on Kazakhstan's Supreme Economic Council.

Leverage of the party apparatus

Nazarbayev is credited with carrying out the successful reorganization of the state-government structures. As he explains: "The sectoral structure of the national economy has long assumed distorted forms. I can remember how at the USSR State Planning Committee they arranged 'days of national cuisine' to please the leadership before discussing the following year's plans. The republic that brought the most lavish gifts received more from Moscow. All earnings are concentrated in the Centre. The funds that each republic has earned are at the mercy of a high-ranking official. If you are on good terms with him, he can allocate millions, it costs him nothing. There are no feasts today. And it is time to break down the structures as well."

Under a new law adopted nearly a year ago, the Kazakh Council of Ministers was transformed into the Cabinet of Ministers under the president. All the old ministerial structures were abolished and disbanded. They have been replaced by the Committee for State Property, the

Central Fiscal Inspection, the Committee on Anti-Monopoly Policy and Support for Small Business, the Committee on Foreign Economic Relations, and the State Supply Committee has been transformed into the Contract Committee.

The left-wing radicals of the republic are pressing the president for a more rapid dismantling of the system. But Nazarbayev is in no obvious hurry as he prefers to use the leverage of the party apparatus, which is under his control, until the new structures grow stronger.

He is not going to swerve from authoritarianism. Not because he is averse to the ideas of democracy but because of expediency. Having studied examples in the rest of the world, he has come to the conclusion that profound economic transformations need a powerful centralized authority. This goes some way towards explaining his consistent steps in expanding his own powers. Nearly a year ago he reformed the governing councils in Kazakhstan by strengthening the executive branch, exactly what Yeltsin is planning to do in Russia only now.

Don't stumble now

Kazakhstan is firmly in the lead as regards the elaboration of economic legislation. It adopted a package of documents allowing the republic to deal directly on the world market (laws on free economic zones, foreign economic activity, protection of the rights of foreign investors). It voted the law on entrepreneurial activity which does not limit the number of employees.

The question of property is crucial and the most painful issue. "We are breaking away from the form of property which was falsely called 'property of the people,' but in actual fact never belonged to the people," said Nazarbayev on television.

According to the law on property, Kazakhstan declared the right of private property to business goods and money, including foreign currency, and permitted the creation of private banks. The main reform lies ahead, the sweeping denationalization of property.

In order not to stumble over this, Nazarbayev has secured his positions: the Supreme Economic Council has considered four different blueprints for privatization, and selected the most effective. Presumably, privatization will be carried out in stages: first, the services which do not require large initial investments or management know-how; then housing (work is under way on models for auctions, competition selection and a coupon system); after that industrial enterprises and finally land.

Nazarbayev is concerned that the principles of social justice should be observed to the maximum, so that people accept privatization as calmly as possible. He is extremely concerned about the social and political stability in the region, without which it is naive to count on the success of reforms.

Until now, the Kazakh leader has managed to forestall national and political clashes; his personal peace-making mission has played a major role in this. People trust him. His trip to Karaganda was enough to persuade the miners to end their strike. Talks with informal organizations resulted in a moratorium on rallies and demonstrations in Kazakhstan. The various faiths and creeds, also play a great stabilizing role. Nazarbayev, an atheist, is not against drawing on their support.

All this forges an atmosphere in this republic which is hard to find elsewhere in the country. As a result, foreign investors are flocking to Kazakhstan, joint ventures are mushrooming, and contracts and long-term projects are being signed.

Party Central Committee Debates Union Treaty

LD2007184591 Moscow All-Union Radio Mayak Network in Russian 1500 GMT 20 Jul 91

[Text] A plenum of the Central Committee of the Communist Party of Kazakhstan was held in Alma-Ata today. The attitude of the Central Committee toward a draft Union treaty was considered. Nazarbayev, member of the CPSU Central Committee Politburo, first secretary of the Central Committee of the Communist Party of Kazakhstan, and the president of Kazakhstan, made a report. The plenum participants spoke in favor of the speedy signing of the Union treaty. It was stressed that further delays could aggravate an already extremely complicated socio-economic situation in the country.

Cooperation Protocol Signed With Iran

LD2007173191 Tehran IRNA in English 1336 GMT 20 Jul 91

[Text] Alma-Ata, Kazakhstan, July 20, IRNA—Iran and the Soviet Republic of Kazakhstan have signed a protocol for mutual cooperation in various fields. In the protocol, signed at the end of an exclusive Iranian exhibition here Saturday, the two sides underlined the need to continue political and economic contacts in an effort to increase bilateral cooperation.

The agreement was inked by visiting Iranian deputy commerce minister and head of the exports promotion center Mostafa Hashemi-Taba and supplies minister of the Kazakh Republic Mr. Timsiov. [name and title as received]

According to the 6-article protocol, the two sides have announced willingness to set up small and medium sized production units jointly.

The Republic of Kazakhstan has expressed its interest in making barter deals with Iran and in providing Iranian producers with raw materials in return for receiving manufactured goods.

Group Studies Cooperation With Eastern Europe

LD1907165591 Moscow TASS International Service in Russian 0822 GMT 19 Jul 91

[Text] Alma-Ata, 19 Jul (TASS correspondent)—A founding conference of the Kazakh association of friendship, business and cultural cooperation with Eastern European countries took place in Kazakhstan's capital today. Its goal is to create favorable conditions for the development of people's diplomacy through businesslike cooperation between entrepreneurs and Bulgarian, Hungarian, Polish and Czech businessmen.

Drastic changes in the political course in these countries have affected traditional cultural ties between the friendly people of Kazakhstan and the people of Eastern European countries.

Bulgarians who were evicted from the Crimean peninsula have been living here, in this Central Asian republic, for almost half a century. There are also Hungarians, Czechs, and Slovaks here. National traditions and national culture are being preserved in places where there are pockets of these nationalities. In recent years a new policy has boosted the spirits of Kazakhstan's minorities. They have had an opportunity to revive their language. Activists of friendship societies dealing with Eastern European countries favor the restoration of cooperation on a de-ideologized basis. This is why the association was set up, and representatives of Kazakh small enterprises are invited to take part in its work. The association promises to help them to establish contacts with Eastern European countries.

Kyrgyzstan

Russian, Kyrgyz Leaders Discuss Interstate Ties

Yeltsin Leads Delegation

LD2007200791 Moscow TASS International Service in Russian 1844 GMT 20 Jul 91

[By unidentified TASS correspondent]

[Text] Bishkek, 20 Jul (TASS)—Today a Russian Soviet Federated Socialist Republic [RSFSR] state delegation headed by Boris Yeltsin, the republic's president, arrived in the capital of the Republic of Kyrgyzstan on an official visit. He is being accompanied by Ivan Silayev, the chairman of the RSFSR Council of Ministers.

It is expected that in the course of the visit a treaty on the foundations of interstate relations will be signed between the two sovereign republics.

International Relations Treaty Signed

LD2107121191 Moscow Radio Rossii Network in Russian 1102 GMT 21 Jul 91

[Text] Boris Yeltsin, the RSFSR president, has been in Bishkek, the capital of Kyrgyzstan, heading a Russian delegation.

At the republic's Government House today, a treaty was signed on the basic principles governing international relations between the Russian Federation and the Republic of Kyrgyzstan.

An economic agreement was also signed, providing for an expansion of cooperation in various spheres and the granting of credits by Russia to the Republic of Kyrgyzstan. These funds will be used for the development of the social sphere, Askar Akayev, the president of Kyrgyzstan, told a news conference after the signing of the treaty.

The Russian delegation and the president of Kyrgyzstan have now left for Issyk-Kul Oblast.

TASS Reports Treaty

LD2207082791 Moscow TASS in English 0751 GMT 22 Jul 91

[Text] Bishkek July 22 TASS—Russian President Boris Yeltsin and Kyrgyzstan President Askar Akayev signed an agreement on cooperation between Russia and Kyrgyzstan in Bishkek on Sunday.

The sides also signed financial agreements worth 800 million rubles.

A new chapter in relations between the two nations has been opened, Boris Yeltsin told reporters after the signing.

The documents aim to promote equality and partnership and cover industrial, cultural, trade and other spheres, he said.

Special attention has been paid to protecting ethnic minorities—Russians in Kyrgyzstan and Kyrgyz in Russia.

Civil peace and national accord are extremely important, Akayev said.

"This is why the treaty with Russia, permeated by the spirit of friendship, is so important for us. It creates the necessary prerequisites for our future, for developing cooperation in all spheres of our life," Akayev said.

"The Kyrgyz people do not want people of other nationalities to leave. Migration now has fell [as received] to its natural level," he said.

Asked by a German-language newspaper reporter about the plight of Soviet Germans, Yeltsin said that Germans had been deported.

"Justice should prevail. We will find a solution to ensure compact residence of Germans in Russia," Yeltsin said.

Yeltsin, Akayev Comment on Treaty

LD2107161891 Moscow All-Union Radio Mayak Network in Russian 1338 GMT 21 Jul 91

[Text] [Monitored in progress]...state delegation of the Russian Federation headed by President Boris Nikolayevich Yeltsin to Kyrgyzstan. We have already reported that the delegation is now in Bishkek. Our correspondent Aleksandr Mirtov will now report on today's events. Go ahead, Aleksandr (?Ulyanovich), we are listening to you.

[Mirtov] You know, the state delegation of the Russian Federation flew into Bishkek late yesterday evening and was warmly greeted by the leaders of Kyrgyzstan headed by Askar Akayev. Well, this morning the main event of the visit took place: a treaty on the foundations of interstate relations between the Russian Soviet Federated Socialist Republic and the Republic of Kyrgyzstan. It was signed by the two presidents, Boris Nikolayevich Yeltsin and Askar Akayevich Akayev. This is how both leaders commented on the event:

[Begin recording] [Yeltsin] Another distinctive characteristic of this treaty compared with the several that we have already signed with other republics is that it contains a substantial financial aspect. Moreover, a financial aspect not in the form of some one-time aid, but in the form of the founding of our future relations. Of course, for the development of Kyrgyzstan today, but for the future of both Kyrgyzstan and Russia. [sentence as heard] Therefore there is also this aspect of the treaty, which was also signed by the two prime ministers and the two finance ministers. I would also like to say that in almost every article of the treaty there is the question of the protection of the population, citizens, of Russian Slavs in Kyrgyzstan and of Kyrgyz people in our Russian Federation. They are given equal rights on the basis of international rights in accordance with the Helsinki agreement.

[Akayev] I agree with Boris Nikolayevich's words that this is indeed a historic event. If the first treaty between Russia and Kyrgyzstan was signed 130 years ago in Russia, then today a treaty is being signed for the first time on the foundations of interstate relations between Russia and Kyrgyzstan. I think that this treaty will play an enormous role for the people of Kyrgyzstan, for our republic, not only today, but especially in the future. I would like to say that this treaty is aimed at (?our common) future. I think that it is precisely this that will enable us to create political and social stability for our republic and to strengthen the friendship of our two peoples. [end recording]

Justice Ministry Officials Apply To Leave Party

OW2207043491 Moscow INTERFAX in English 0930 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] During the last Communist Party meeting at Kyrgyzstan's Justice Ministry on Thursday, 14 out of the ministry's 18 party card holders filed applications to leave the party.

The ministry has a staff of 59.

According to the staffers, rather than a pre-planned action, this mass exodus is a natural process and a consequence of the social situation in the republic which demands that law enforcement officers are under no party influence.

Kyrgyzstan's Justice Minister Yusup Mukhambayev officially declared at the meeting that he suspended his tenure as justice minister. Being a Central Committee member, he moved that the Communist Party charter include a provision on the suspension of party membership of top law enforcement officers. Unless this amendment is passed, he may quit the party altogether, said Mukhambayev.

Mukhambayev is among a group of USSR Supreme Soviet and republican Supreme Soviet deputies who have appealed to the Kyrghyz people to set up a Popular Unity movement.

He told IF [INTERFAX] that "we want to create a civic society and to build a rule-of-law state." Mukhambayev supports departicization of the Interior Ministry and the KGB.

Reformist Deputies Support Akayev's Reforms

OW1907045991 Moscow INTERFAX in English 1500 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] A group of Kyrgyz deputies to the central and local parliaments and other political leaders have issued an appeal to their nation today, Thursday.

They call for a democratic movement "People's Unity" to rally all the reformist, left-wing forces irrespective of their party affiliation in the name of civil peace and national accord.

The group supports the movement for democratic reforms recently set up in Moscow. It calls on the people to rally round the republic's President Askar Akayev and his reformist policies.

The appeal points out that lately the president's actions have been up against the blank wall of rejection both by the left-wing extremists and right-wing conservatives.

The president's policy has been sharply criticized by the republic's Communist Party which is hanging on to power at any price. The recent plenary session of its Central Committee is described as "held in the spirit of neo-Bolshevism" with the party leaders seeking confrontation with the president and the new structures.

Tajikistan

Cabinet of Ministers Reviews Economic Crisis

LD2007201391 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 20 Jul 91

[Text] The first session of the renewed Cabinet of Ministers of the Tajik Soviet Socialist Republic has taken place in Dushanbe. The participants discussed the republic's national economic results for the first half of the year and the measures for getting out of the crisis. In particular, it was noted that the situation in the national economy is still unstable. Industrial production supplies fell by more than 100 million rubles. In agriculture, production volumes have fallen by 20 percent. Only three out of the 34 most important construction projects were commissioned. Work on the national economy's transition to market economic relations, denationalization, and privatization has been progressing very slowly.

Republican budget receipts are half the level of expenditures. A proposal was made to cut expenditures for the second half of the year by 600 million rubles and to introduce a special regimen for budgetary finance. The meeting was addressed by Makhkamov.

Dushanbe Stops Atomic Reactor Construction

LD1707210791 Moscow All-Union Radio Mayak Network in Russian 1600 GMT 17 Jul 91

[Text] A session of the Dushanbe City Soviet has made a decision to stop construction of the atomic reactor Argus. The building was being erected within the city limits, on subsidient grounds and in the 9-degree seismic zone. The construction was not agreed with the city fire brigade, the civil defense, or the sanitary and epidemic control station. It is frightening to imagine what could have happened if the city deputies did not interfere in this. The Tajik capital experiences earthquakes several times a year.

Uzbekistan

Further on Muslim Board Conflict Mediation

OW1907045691 Moscow INTERFAX in English 1500 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] A conciliatory commission continues its work in Uzbekistan studying complaints against the Chairman of Central Asia's Muslim board—Mufti Mukhammad Sodik—launched by the assembly of religious communities.

July 5, the mufti was charged with violating Islamic norms and financial irregularities and removed from his post. His supporters, though, defy the decision. The conciliatory commission has been set up representing all sides and the authorities.

Though the commission has ruled to refrain from any public statements before its conclusions, M. Sodik spoke on television July 14 stating his case.

Commenting on the situation an official of the Uzbek Cabinet wishing to remain anonymous has told INTERFAX that President Islam Karimov has condemned the mufti's TV appearance. As to the claims by the believers against the mufti, the official finds them "not ungrounded."

Law on Foreign Economic Activity Implemented

LD1707211191 Moscow TASS International Service in Russian 1030 GMT 17 Jul 91

[By TASS correspondent Irina Grebenyuk]

[Text] Tashkent, 17 Jul (TASS)—The law on foreign economic activity adopted at a recent session of the Uzbekistan Supreme Soviet is being implemented in the Central Asian republic, starting today. It will lift all restrictions for those who wish to become active in this sphere and will create real possibilities for integration of the republic's economy into the world economic system.

The law covers all types of foreign economic activities, including economic, scientific and technological, and cultural cooperation, training of personnel, foreign and border trade, banking operations, and tourism.

As a sovereign republic, Uzbekistan is now independently determining its foreign economic policy, while coordinating it with the USSR and other Union republics. Both individual citizens and organizations that have passed registration are allowed to engage in foreign economic activity. They are given a chance to set up enterprises, subsidiaries, and international organizations beyond the borders of the republic and the USSR, as well as attract foreign investment into the republic's territory. For the establishment of direct mutually beneficial contracts with foreign partners, Uzbekistan trade missions can establish trade missions, as well as other types of missions, in foreign states. Foreign states, companies, banks, and international organizations have the right to open missions in Uzbekistan. The law opens prospects for setting up free economic zones in the republic.

Uzbekistan's wide range of possibilities in the sphere of foreign economic activity was demonstrated at a meeting among business people from over 50 countries, which recently ended in Tashkent. During this international

forum, 30 joint ventures were created and up to 70 are in the process of being organized.

More on Investment Law

LD1907215491 Moscow TASS International Service in Russian 1229 GMT 19 Jul 91

[By TASS correspondent Irina Grebenyuk]

[Text] Tashkent, 19 Jul (TASS)—A law on foreign investments, which was passed at a recent parliamentary session of this Soviet Central Asian republic, came into force in Uzbekistan today.

It defines legal, economic, and organizational foundations, and an order for making foreign investments. The law provides guarantees for foreign capital, and is directed at attracting and effectively using foreign financial, material, intellectual, and other resources, modern foreign technology, and management experience with the aim of assisting in the development of Uzbekistan's national economy.

The law defines various forms of foreign investments on the territory of the republic: participation in joint ventures with Soviet citizens, creation of enterprises, banks, and insurance companies which fully belong to foreigners, acquisition of shares and also of property rights, including the right to use land and natural resources.

Enterprises with foreign investments can implement any activity which is not prohibited by the republic's legislation. Foreign investments in the republic are not liable to nationalization or requisition, except in extreme circumstances, such as natural disasters.

An enterprise with foreign investments can set up branches, representations, and also associations and concerns on the territory of Uzbekistan. They have the right to export their products without a license, and to import products for industrial needs. Property owned by investors as an investment is released from customs duties and import taxes.

Upon acquiring the right to own buildings, an investor obtains the right to use the land according to the conditions established by the republic's legislation. Granting foreign investors concessions to develop, prospect, and use natural resources is to be carried out on the basis of treaties.

Plenum Appoints Party Commission Chairman

LD1907103991 Tashkent Radio Tashkent Network in Uzbek 0300 GMT 19 Jul 91

[Excerpt] Last night the fourth plenum of the Central Supervisory Commission of the Communist Party of Uzbekistan was held. An organizational question was examined at the plenum. Due to Yuldashev's appointment as chairman of the Supreme Soviet of the Uzbek Soviet Socialist Republic, the plenum relieved him of his membership in the Presidium of the Central Supervisory Commission of the Communist Party of Uzbekistan and of his post as chairman of the commission. Mamarasulov, first secretary of the Tashkent Oblast party committee, was elected member of the Central Supervisory Commission of the Communist Party of Uzbekistan, member of the Presidium of the commission, and chairman of the commission. [passage omitted]

Tashkent Oblast Elects Party First Secretary

LD1907193891 Moscow All-Union Radio First Program Radio-1 Network in Russian 1400 GMT 19 Jul 91

[Text] An organizational question was discussed at the plenum of the Tashkent Oblast Uzbek Communist Party Committee. In connection with the fact that Mamarasulov was elected chairman of the Central Electoral Commission of the Uzbek Communist Party, the plenum released him from his post of first secretary of the Tashkent Obkom. (Saydaliyev) was elected first secretary of the Tashkent Oblast Uzbek Communist Party Committee by secret ballot. He is presently working as the chairman of the Tashkent Oblast Executive Committee.

Japan To Aid in Satellite Communications Link

LD2007160191 Moscow All-Union Radio Mayak Network in Russian 0700 GMT 20 Jul 91

[Text] Azia-Svyaz-Kosmos is the name of the new association in which the communications services of the Central Asian republics, Kazakhstan, and a number of the oblasts of Russian Federation have become members. Its creation has been dictated by the rapidly developing contacts between the region's enterprises and organizations with foreign firms. With this in mind, Japanese specialists are constructing a special international satellite communications exchange in Uzbekistan. As our correspondent reports, the day is not far away when business people from Tashkent and other cities of the republic will be able, directly from their apartment, office, or car, to communicate with their partners in California, for example. Similar stations will also be constructed in Kazakhstan. We will see.